FINANCIAL TIMES

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Why France's arteries are blocked, Page 10

NEWS SUMMARY

GENERAL

Spanish senator shot dead

Spanish Premier Felipe Gonzalez called an urgent meeting with top aides following the assassination in San Sebastian of Socialist Senator Enrique Casas.

Sr Casas, campaigning in the Basque regional elections, was shot at least eight times by a hooded gunman as he was leaving his home for local party headquarters.

Politicians attributed the killing to the Basque separatist guerrilla organisation Eta or a related group. Page 3

Junta member held

Argentinia's armed forces supreme council ordered the arrest of former air force chief Basilio Lami Dozo, the last of the defunct three-man military junta to be detained.

Israelis hit Druze

Israel stepped up air attacks against what it said were attempts by Palestinian guerrillas to move south, bombing Druze-held territory near Beirut. Page 12

Suicide of banker

Leading Israeli banker Yaacov Levinson committed suicide, leaving a note alleging that other senior banking figures had hounded him to his death. Page 4

Ustinov accuses U.S.

Soviet Defence Minister Dmitri Ustinov accused the U.S. of pushing the world towards nuclear war and said Soviet armed forces were ready to fight off an attack.

Albania talks sought

Greece says it wants talks with Albania about the treatment of ethnic Greeks there, about trade relations and the ending of the state of war that has officially existed between the two countries since 1940.

Soldiers on trial

Two French soldiers went on trial at Landau, West Germany, accused of distributing petitions calling for the removal of foreign troops from East and West German soil.

Indian walkout

Opposition politicians walked out of the opening session of the Indian parliament in protest at communal violence. Four people, including a child, were found beaten to death in Punjab, bringing the death toll to more than 50 in 10 days of Hindu-Sikh clashes. Page 4

Soviet space link

An unmanned cargo craft linked up with the orbiting Soviet space station Salyut-7 to deliver fuel, instruments and mail to the three cosmonauts on board.

Stretching a point

Moscow trade union newspaper Trud said regular ballet practice for everyone from bricklayers to scientists would produce a physically and mentally healthier nation.

N-test protest plan

Tahitian peace groups plan a mass demonstration tomorrow against continued French nuclear testing at Mururoa atoll in French Polynesia, the first such protest for 11 years.

Vote on conscription

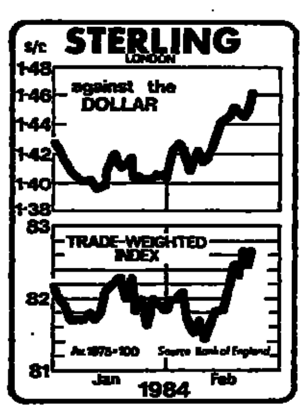
Switzerland votes on Sunday in a national referendum on the introduction of an alternative civilian service to the present compulsory military duties for all males aged 19. Page 3

BUSINESS

Baldrige confident on U.S. economy

U.S. COMMERCE Department Secretary Malcolm Baldrige claimed that the U.S. economy had passed the recovery stage and had entered one of expansion. His comments followed the release of figures for durable goods orders showing a 1.1 per cent jump in January. Page 12

STERLING rose 1.15 cents to $1.4625, its highest close since November. It also gained to DM 3.8825 (DM 3.8675), FFr 11.9525 (FFr 11.915), SwFr 3.2 (SwFr 3.1825) and Y341.5 (Y338.5). Its trade-weighting rose to 82.7 from 82.4. Page 33



DOLLAR fell to DM 2.6535 (DM 2.6635), FFr 8.175 (FFr 8.2125) and SwFr 2.1865 (SwFr 2.1925), but rose to Y233.35 (Y233.2). Its Bank of England trade-weighted index fell from 128.1 to 128. Page 33

GOLD rose $3.375 in London to $398.125. In Frankfurt it closed at $397.75, while the Zurich close was $400.5. Page 32

WALL STREET: Dow Jones industrial average closed up 0.42 at 1,134.63. Report, Page 23. Full share prices, Pages 24-26

LONDON: FT Industrial Ordinary index fell 9.5 to 806.9. Government securities showed little change. Report, Page 27. FT share information service, Pages 28, 29

TOKYO: Nikkei Dow index slipped 8.15 to 9,939.56. Stock Exchange index eased 1.06 to 768.8. Report, Page 23. Leading share prices, other exchanges, Page 26

UK TREASURY was urged by the National Institute of Economic and Social Research to give the economy a moderate stimulus in next month's budget. It said inflation would accelerate and the recovery fade if policies were unchanged. Page 6

NIGERIA is losing about $1m a day through illegal oil sales across its borders, Petroleum and Energy Minister Prof Tam David-West said.

WELLS FARGO Bank's Singapore subsidiary is suing Citibank in a U.S. federal court to recover more than $2bn in deposits which have been frozen in the latter's Philippines branch. Page 13

PKBANKEN, Swedish state-owned commercial bank, increased group operating profits by 45 per cent to SKr 1.4bn ($176m) last year, while the return on group equity grew from 14.7 per cent to 19.5 per cent. Page 14

RENAULT Vehicules Industriels, the industrial vehicles group of French state-owned Renault car group, more than doubled its losses last year to FFr 1.9bn ($232m). Page 13

MONTEDISON, Italian chemicals giant, signed a letter of intent to provide the Soviet Union with a speciality plastics plant in a deal worth $40m-$50m. Page 5

UNION BANK of Switzerland, the country's biggest bank, lifted profits by 15.6 per cent to a record SwFr 506m ($231m) last year, and plans to raise its dividend from 20 per cent to 22 per cent. Page 14

Paris stands firm as lorry drivers tighten their grip

BY DAVID MARSH IN PARIS

The French Government last night declared it was standing firm over the road haulage dispute as lorry blockades around the country tightened their grip on the beleaguered economy.

The number of barricades on major roads was little changed from Wednesday, although barriers in the Alps, where the trouble started last week after long delays at the Italian border, were being dismantled. Italian customs officials also suspended the work to rule which has clogged border crossings.

Speaking on last night's television news, M Jacques Delors, the Finance Minister, who is acting Prime Minister during the absence in Austria of M Pierre Mauroy, reaffirmed that the Government refused to act "under pressure" and had no plans to meet haulage leaders until the date of March 1 set on Tuesday night.

Stressing that the Government's firmness was tempered with understanding for truckers' problems, he said he hoped that negotiations would restart in a spirit of "calm."

The Government had already taken action to deal with Alpine border delays and had a "working programme" to deal with other drivers' grievances.

Declaring that traffic was still moving in France despite the barricades, and denying any question of "supply problems" M Delors said the Government was taking all necessary action to ensure that goods and people could move as normally as possible.

But signs increased of growing disruption of goods trade with other EEC countries. Police were reported to be turning back lorries trying to enter France at the Belgian border to avoid adding to road chaos.

Although the Patronat, France's employers' association, claimed last night that companies generally appeared to be weathering the problems without undue difficulty, there were clear indications of cracks in the economic structure.

Michelin, the world's second largest tyre group, announced temporary lay-offs for 2,000 workers at five Clermont-Ferrand factories owing to supply hold-ups. Some hospitals in southern and south-eastern France reported dwindling stocks of medicines, while Total, the state oil group, said petrol station closures would be "inevitable," particularly in the Lyons and Nancy areas, if barricades persisted for more than a day or two. Local food shortages were apparent in some areas of east and west France, while many agricultural markets were disrupted.

The two road haulage confederations which rejected the Government's nine point peace plan on Tuesday, the FNTR and Unostra, intend to "co-operate" to bring movement to the deadlocked dispute, according to M Jean Devay, the Unostra president.

In a further conciliatory move, blockades in many areas were relaxed to allow single file traffic.

Continued on Page 12

Why French arteries are blocked, Page 10

Chrysler writes off most of its stake in Peugeot

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER, the third largest U.S. motor company, has written off more than two thirds of its investment in Peugeot, the struggling French car manufacturer which is grappling with a reorganisation plan.

The stake in Peugeot was originally taken in 1978 as part payment for the sale of Chrysler's European operations, which have given the French group considerable problems ever since.

In a short statement yesterday, Chrysler said that the write-down was primarily the result of economic conditions in France which had "reduced the value of the French franc and adversely affected Peugeot's operations."

Chrysler had been carrying the investment in its books at $323.9m, but that has been cut by $223.9m to $100m, reducing the group's fourth-quarter earnings to $118.3m.

Before the write-down, Chrysler achieved record operating earnings of $342.7m, compared with a $93.2m loss in 1982, despite the loss of about $89m on a six-day component plant strike in November.

The group also made record operating profits of $927.4m for the full year, against a loss of $68m in 1982. It also achieved its best net figures of $700.9m, or $5.79 a share, against $170.1, or $1.84 a share in 1982.

Earnings per share in the fourth quarter were 91 cents, against a $1.30 loss for the same period of 1982, when the net loss for the quarter came to $96.1m.

Worldwide sales for the year totalled $13.2bn, compared with $10bn in 1982, and in the fourth quarter they rose sharply from 2.2bn to $3.8bn. Unit factory sales increased to 1.49m, against 1.18m.

Mr Lee Iacocca, chairman said yesterday that 1983 had been a year of "dramatic improvements," with revenues up 33 per cent, profits up 312 per cent, factory sales up 26 per cent, and hourly employment also rising, by 26 per cent.

The group had kept its product plans on track, he added, and paid back most of the debt run up during the crisis

In the fourth quarter, Chrysler also paid back $40m of the $100m that Peugeot lent to the group in 1978 when the two companies were considering extensive integration of product planning and component manufacturing.

Renault truck division loss rises, Page 13

Tehran claims major advance

By Roger Matthews, Middle East Editor, in London

IRAN claimed last night to have advanced 25 miles into Iraq during a day of fierce fighting and to have captured portions of the main road from Baghdad to Basra, Iraq's second largest city.

If the claims are correct and Iran can maintain its probably precarious position, it would represent a serious reverse for President Saddam Hussein of Iraq.

Iraqi military commanders have denied the Iranian claim and in messages to the President said they had "won the epic battle of east Basra." A State Department spokesman in Washington said the U.S. was not aware that the lines of battle had changed significantly.

The tone and content of yesterday's military communiqués from both sides suggests that some of the heaviest fighting in the 3½-year war has been taking place to the north and east of Basra.

Iran says that it has captured 26 Iraqi villages, including al-Qurnah, north of Basra, where the Tigris and Euphrates rivers meet to form the Shatt al-Arab waterway, and al-Uzayr, a few miles to the north west. Tehran radio said the troops had been welcomed by the local population. It estimated the Iraqi dead as 2,500.

Iran claimed the Iraqis had been surprised by "new tactics" which had been employed, and communiqués from Baghdad spoke of Iranian gunboats being destroyed in the marshes north west of Basra.

If the Iranians have reached al-Uzayr they would have required amphibious vehicles to penetrate the spectacularly beautiful marsh area. It is unlikely that many men or heavy weaponry could have been used in the thrust, but because of the terrain the area is not heavily defended.

Iran's offensive on Tuesday was

Continued on Page 12

Editorial comment, Page 10; High oil stocks quell fears, Page 12

Tax change hits British gilts market

BY MARGARET HUGHES AND CLIVE WOLMAN IN LONDON

THE INLAND REVENUE, Britain's tax authority, last night threw the London government securities market into confusion when it announced that, from today, it would tax the gilt-edged profits made by the country's building societies at their full corporation tax rate.

Until yesterday, the building societies, which are the leading lenders for home purchases, paid tax only on the small amount of interest they received from their gilt holdings. The capital uplift on their gilts, which is guaranteed on most of their holdings, was not taxed at all, provided the gilts were held for at least a year.

From today, however, all profits will be taxed at a rate of either 40 per cent, or 38 per cent for smaller societies, regardless of whether it comes in the form of interest or capital gains.

In a last-minute attempt to avoid the new rules, building societies last night sold off several hundred million pounds worth of gilt-edged stock at knock-down prices.

"They've been chucking out enormous chunks of stock at ridiculous prices," said Mr Jack Wigglesworth, the gilts partner at stockbrokers W. Greenwell.

According to another trader: "The building societies are running around like headless chickens trying to find buyers. The jobbers' turns are diabolical."

The tax change is expected to have a major long-term effect on the prices and quantity of those gilts with low coupons which are redeemed by the Government around five years after they are issued.

The Building Societies Association said that the tax charge would have a very considerable influence on the future level of interest rates. It planned to protest to the Chancellor of the Exchequer about the decision.

Government bond prices in the U.S. slid steeply yesterday as fears of higher interest rates were fuelled by a sharp rise announced in sales of durable goods for last month, and by a pessimistic forecast for rates form Dr Henry Kaufmann, Salomon Bros' chief economist. Losses at the long end of the market reached a full point, distressing Wall Street stock too. Page 23

Continued on Page 12

Lex, Page 12; Prices, Page 28

Record maturity for Swedish bond issue

BY MARY ANN SIEGHART IN LONDON

SWEDEN has again broken new ground in the international bond markets by launching a bond with a record 40-year life.

It is raising $500m through a Eurodollar floating rate note (FRN) – a bond with interest payments pegged to short-term interest rates. Until this issue, the longest maturity for an FRN was 20 years.

Merrill Lynch, which poached a team of 10 bankers from rival investment bank Credit Suisse First Boston a month ago, won the mandate to arrange the deal from a field of over 20 banks.

Credit Suisse First Boston was the lead manager for Sweden's two "jumbo" floating rate notes last year, and their Swedish specialist, Mr Caleb Watts, was among the team that defected to Merrill Lynch.

Mr Peter Engstrom, director of the Swedish National Debt Office, said yesterday, "The reason we chose Merrill Lynch this time was because we thought their proposal made the most sense. It is not a question of any one individual – it's a question of teamwork."

Interest payments on this bond will be ⅛ percentage point over the six-month London interbank offered rate (Libor) – the rate at which major banks lend to each other in the interbank market. Mr Engstrom said that the proceeds will be used to pay off more expensive loans which are currently costing Sweden more than ½ percentage point over Libor.

Sweden has a reputation for innovative financing in the Euromarkets. Last year, it issued what at the time was the largest ever Eurobond. It also increased the amount of a floating rate note from $500m to $1bn

Eurobonds, Page 34

Beecham buys 83% of Italy's Zambeletti

BY CARLA RAPOPORT IN LONDON

BEECHAM, the British consumer products and drugs group, is moving into the Italian pharmaceutical market with the purchase of a controlling interest in Zambeletti, a Milan-based drug company, for £42.3m ($61.3m).

Zambeletti, with sales of L90bn ($54.6m), is the 15th largest drug company in Italy. Italy is the fifth largest pharmaceutical market, with ethical drug sales of around $3bn a year.

"We want a major stake in a major pharmaceutical market," Sir Graham Wilkins, Beecham's chairman, said yesterday. Beecham, the tenth largest drug company in Europe, currently makes no direct sales of drugs in Italy. The group had been reluctant to enter the Italian market because until recently patent protection for most new drugs had not been available.

Zambeletti specialises in antibiotics, vasodilators (which improve blood flow), liver drugs and cough and cold remedies. The group's profits rose sharply in 1982 to L25bn on sales of L90bn, compared with L8.4bn on sales of L60bn in 1981.

Beecham acknowledged yesterday that the $42.3m purchase price for 83.8 per cent of the company's shares represented a very good deal, as it is less than four times the group's pre-tax profits. Most pharmaceutical companies are valued at between 15 and 25 times their earnings.

Mr Ted Bond, Beecham's financial director, said that the reasonable price is due to the relatively short history of the group's strong profitability. Beecham would not give historical profit figures for Zambeletti.

"Although it does not have a long track record (of high profitability), we are satisfied that this level of profits is sustainable," said Mr Bond.

The recent jump in profitability was a result of the strong performance of five or six of the company's drugs, including Fluxarten, a vasodilator with some £10m in sales, and Velamox an antibiotic.

Lex, Page 12

ICI lifts profits to £619m

By Carla Rapoport in London

IMPERIAL Chemical Industries (ICI), the world's fifth-largest chemicals company, yesterday announced sharply improved profits for 1983, but immediately said it must do better.

The UK group reported 1983 pretax profits of £619m ($898m) on sales of £8.26bn, against £259m and £7.36bn in 1982. The share price in London dropped 30p at one point yesterday before closing 16p down on the day at 588p.

Mr John Harvey-Jones, ICI's chairman, said the group had shown good improvement in 1983, but "we have a long way to go before we are satisfied." His target for the group, he said, is pre-tax profits of £1bn, but he would not forecast when ICI would meet this goal, "I'm not saying we can do it, I'm saying we have to do it," Mr Harvey-Jones said.

Details, Page 16; Lex, Page 12

CONTENTS

French unions threaten major pay conflict

BY DAVID HOUSEGO IN PARIS

THE EFFORTS of the French Socialist Government to end the virtually automatic indexing of wages in the public sector are meeting growing resistance from the unions.

The Communist-led CGT union warned yesterday of the risk of "a major conflict" if the Government did not make good losses in purchasing power suffered last year by some 4m public employees. Negotiations with the unions on implementing the "safeguard" clause in the 1983 wage agreement and on pay settlements for this year are to resume next Wednesday.

All seven unions representing public employees have threatened strike action if Wednesday's meeting does not yield back-dated pay increases to compensate for higher than expected inflation last year. It is the first time in six years that the unions have agreed to act together.

Wage negotiations this week with bank employees, and at Renault, Air France and Electricite de France all ended in deadlock. Unions described as unacceptable and provocative the offer by the nationalised banks which would effectively result in a loss of purchasing power this year.

M Pierre Mauroy, the Prime Minister, has laid down a complicated formula for wage settlements this year that in practice give many employees a minimal 1-3 per cent rise. The formula provides that a state employee's total remuneration this year, including bonuses and seniority payments, should not be more than 6.1 per cent above last year's level. As a result state organisations that gave increases towards the end of last year have hardly anything to give away this year.

The banks are thus offering a 1 per cent wage increase in June followed by 2 per cent on January 1, 1985. Air France is offering a staggered 2.6 per cent in a year when most forecasters expect inflation to rise by about 7 per cent.

Renault says that of the 6.1 per cent ceiling, 4.3 per cent will have been carried forward from last year. It, therefore, has only an additional 1.8 per cent total remuneration increase to negotiate this year.

There is still no knowing in practice how far unions and their rank-and-file will carry their militancy. But the large turnout in Paris last week of public employees protesting at the wages policy suggests that the Government faces a nasty test of strength.

Feature, Page 22

Big TV hit for Yves Montand's economic crisis show

BY PAUL BETTS IN PARIS

YVES MONTAND, the hugely popular French actor and singer, gave millions of households in France an hour-and-a-half-long lesson in economics on television this week.

According to public opinion polls, the outspoken M Montand has become the most popular man in France, more popular than any politician, film star or sports personality. It was thus no surprise that his explanation of the current economic crisis facing France on Wednesday night was watched by one of the highest audiences in the history of French television.

More people watched the Montand programme, called "Vive la crise," than President Francois Mitterrand in his recent television appearances. This latest resounding success for the French actor has further strengthened what is being called these days in France "the Montand phenomenon."

M Montand's programme opened with a sequence showing a Russian tourist visiting Paris and writing home to say that the French are essentially suffering from a "crise de foie"—the legendary French liverishness—rather than an economic crisis.

M Montand, of course, went on to show that the crisis is very real and very dangerous, that the world is "living 1929 in slow motion," and that it is basically up to every individual to respond to the challenges posed by the present situation.

Montand's show was essentially designed to answer in simple language questions about the cause of the recession and how best to cope with it. It was basically an apolitical economic expose, although the programme came down against protectionism and argued among other things, in favour of modernising and restructuring industry and of not missing the so-called "third industrial revolution."

Despite the rave reviews M Montand's presentation received, the programme tended to consist of a collage of economic commonplaces.

Nonetheless, it was an important event. All the French leading politicians responded to the programme. M Jacques Delors, the finance and economy minister, for example thought the programme contained "a strong message, delivered with talent." The Communists, however, thought otherwise and protested vigorously.

M Philippe Herzog, of the Communist Party's political bureau, claimed the programme showed up "a spirit of national resignation, a spirit of an economic Munich." Moreover, the Communists were upset because they claimed the programme was one-sided.

But then M Montand has become one of the biggest thorns in the flesh of the French Communist party. Gone are the days when M Montand and his equally famous wife, Simone Signoret, the actress, flew to Moscow to see Mr Kruschev; and when the film actor and his wife were among the fashionable left-wingers of the Paris literary and intellectual scene.

M Montand has become one of the harshest popular critics of Moscow, of the French Communists, and at times of the Left as a whole. Never missing a chance to make his views on the world, on freedom, on any subject for that matter, publicly and vocally known.

Montand . . . 'most popular man in France'

His open admissions that his political views have changed and his direct manner of speaking have largely contributed to his growing popularity in France. He also remains a big box office success in his own right.

The "Montand phenomenon" has clearly become a factor in French political life. Many people would like to see M Montand, now 62 years old, run for President in France. A television interviewer recently asked him if he would consider running. M Montand answered he would not, because he was a good actor, unlike Mr Reagan, who had run because he was a bad one.

Ironically, M Montand was holding his "Vive la crise" television show just as thousands of protesting lorrydrivers continued to paralyse traffic on French roads, threatening havoc to the economy. M Montand, however, should have sympathies for the lorry drivers. One of his greatest film roles was, after all, the trucker in the "Wages of Fear."

Senator's murder halts Basque poll campaign

By David White in Madrid

ELECTION campaigning in the Spanish Basque country was called to a brutal halt yesterday by the murder of a Socialist Senator, Sr Enrique Casas, in San Sebastian. Sr Felipe Gonzalez, the Prime Minister, called an urgent meeting with top aides in Madrid after the assassination.

The murder of Sr Casas (40), who was shot at least eight times by a hooded gunman as he was leaving his home for local party headquarters, was attributed by politicians to Eta, the separatist organisation, or a related group.

If this supposition is borne out, it is the first time since the death of General Franco in 1975 and the establishment of democracy in Spain, that Eta has chosen a prominent politician as an assassination target.

The killing also marks a change in tactics during election periods, when Eta has in the past taken a backstage position.

The conservative Basque Nationalist Party (PNV), which runs the region's autonomous government and has been tipped as outright victor in the current election, proposed immediate talks between local party leaders in the wake of the assassination.

The election on Sunday is to renew the Basque Parliament set up in 1980 to accommodate demands for home rule in the Basque country, quashed since the Spanish Civil War.

Sr Casas, a member of the Madrid Senate, was also top of the Socialist Party's list of candidates in Guipuzcoa, the Basque province where Eta ostensibly has the largest proportion of popular support.

Five political parties, including the PNV, the Socialists and the right-wing Popular Coalition immediately called off the final stages of their campaigns, which should have continued until midnight tonight.

The regional electoral board, however, that Sunday's ballot would go ahead as planned.

Herri Batasuna (Popular Unity), the party supported by Eta, was holding a meeting of its executive after the shooting yesterday afternoon.

Radio programmes were interrupted for coverage about the murder, and the Cortes (Parliament) in Madrid held a minute's silence for the dead senator.

Sr Gregorio Peces-Barba, the Socialist Speaker, said that democracy would never be beaten by "this human scum, the terrorists," and that the killing would not succeed in keeping people away from the ballot boxes.

A PNV spokesman in Madrid said "anything could happen" in the election and that the killing could lead to wide abstention or to a massive vote as a protest against the terrorists.

Danish budget Bill passed

By Our Copenhagen Correspondent

DENMARK'S centre-right Government finally won parliamentary approval yesterday for its 1984 budget, the defeat of which last December prompted a general election last month.

The budget Bill was passed by 79 votes to 27. There were 48 abstentions and 25 absentees in the 179-seat Parliament.

The opposition Social Democrats announced earlier in the week that they would abstain in the vote, thus clearing the way for the Bill to receive a comfortable majority.

Preliminary figures, meanwhile, showed a Danish foreign trade deficit of DKr 1.37bn (£96m) last month compared to a surplus of DKr 680m in the same month last year. It was the second consecutive month that Denmark has recorded a large deficit on its foreign trade and has led to concern about the country's balance of payments this year.

Important barrier to UK budget rebate removed by MEPs

BY PAUL CHEESERIGHT IN BRUSSELS

THE BUDGET committee of the European Parliament has removed one of the main obstacles to early payment of Britain's £457m EEC budget rebate for 1983.

An 18—1 vote in favour of regulations permitting the payment has diminished the chances ofthe UK withholding budget payments later this year. Such action is thought inevitable if the rebate is not received by the end of the financial year on March 31.

But the full Parliament's final vote on the budget rebate will not take place until after the EEC summit in Brussels on March 19-20. As Lord Douro, the Conservative budget spokesman at the Parliament noted yesterday, a clear political link has been established between the budget rebate and the outcome of the summit.

If the summit does not provide evidence of a solution to the EEC's basic financail problems, then it is considered likely that the Parliament will continue to block payment of the rebate.

But the budget committee's decision is a crucial move in the complex legal procedure which has to be followed before regulations covering Britain's 1983 rebate can come into force.

The regulations cannot be adopted without the approval of the Parliament. But it has been tardy in giving its opinion, leading last week to an urgent Council request for action that presupposed an emergency session.

Such a session has been ruled out. The full Parliament will vote on the opinion adopted by the budget committee on March 12. It is expected to follow the committee line.

That vote out of the way, there would be an opportunity for Parliament's leaders to hold talks with the Council of Ministers the day after the date on which the Council has a planned meeting in Brussels.

The talks would aim to reconcile the different views of the two sides on the rebate. That done, the full Parliament theoretically could give its approval to the rebate payment at the end of the month, just in time to meet the British demand for a quick resolution of the issue.

Brussels presses for more integrated gas market

BY OUR BRUSSELS STAFF

BRITAIN should work towards closer links with the other Western European countries to create a more integrated European gas market, making the most of opportunities for economy and enhancing energy security, according to the European Commission.

Its recommendation was made yesterday in a review of EEC energy strategy up to the end of the decade prepared for the Council of Ministers.

Access to the gas and oil of the North Sea had reduced pressure on Britain to work towards a more integrated gas market, the Commission said.

Hitherto, the Government has prevented the export of gas from Britain's continental shelf, but signs of a reversal of this policy have emerged with the disclosure of informal talks with the Netherlands on a gas pipeline.

The UK Treasury has apparently expressed interest in an Anglo-European gas pipeline to permit exports from the British continental shelf, partly to defray the cost of importing Norwegian gas.

The Commission's interest in the gas question is related to the creation of an EEC common market in energy. Failure to achieve this is one of its points of concern in the review.

Others include the risk of a new oil crisis. Although EEC oil consumption has dropped, it expected imported oil to account for a third of Community energy neds at the end of this decade and the greater part of that will come from Opec countries in the Middle East.

Joint energy policy has helped to reduce the role of oil in EEC energy consumption from 62 per cent in 1973 to 48 per cent last year. It should decline to 43 per cent by 1990, close to the Community objective, according to the Commission.

But the vulnerability of EEC states to a new oil crisis varies. The Commission picks out Denmark, Greece, Ireland, Italy and the Netherlands as the most vulnerable—they will still depend on oil for more than 50 per cent of their energy in 1990.

EEC ENERGY TRENDS
(million tonnes oil equivalent)

	*1983 estimates	†1990 forecasts
DEMAND		
Oil	410	430
Solid fuels	207	245
Natural gas	162	194
SUPPLY (from internal sources)		
Oil	130	106
Solid fuels	175	179
Natural gas	119	114
Nuclear energy	76.5	144
Others	15.3	24
NET IMPORTS		
Oil	287	353
Solid fuels	37	65
Natural gas	47	80

Arbed subsidy approved

BY OUR BRUSSELS STAFF

THE LUXEMBOURG Government has received authority from the European Commission to provide subsidies of LFr 18bn (£227.5m) to Arbed, the national steel company, by the end of 1985. This is the first time the Commission has approved a final restructuring plan for a national steel industry under the EEC plan to reform the sector.

Governments have to satisfy the Commission that fresh capacity cuts demanded in June last year will be met and that the company will be financially viable by the end of next year. Once satisfied, the Commission authorises the subsidy.

In Arbed's case, hot rolled capacity is being cut back from a maximum of 5.2m tonnes in 1980 to 3.9m tonnes by the end of 1985. Cold rolled capacity is being cut from 400,000 to 360,000 tonnes.

Genetic engineering patent granted for interferon

BY JOHN WICKS IN ZURICH

THE genetically-engineered substance, interferon, may become available for treating late this year or early in 1985. This follows the granting by the European Patent Office to Biogen, the Swiss-U.S. company, and Schering-Plough, its U.S. licensee, of the first-ever major patent for a genetic engineering product.

The patent covers the manufacture and sale of alpha-interferons made in bacteria, yeast or animal cells.

Biogen is also seeking U.S. patent protection, while Schering-Plough has filed applications with European and U.S. regulatory agencies for approval to start marketing recombinant alpha-interferon.

However, another U.S. company, Genentech, claimed this week that it already holds a U.S. patent for a genetically-engineered form of "hybrid" alpha-interferon and that the Hoffman-Laroche pharmaceutical company is testing it. Both said they would challenge the Biogen patent.

Call for continued Soviet reforms

BY ANTHONY ROBINSON

MR VITALI Vorotnikov, who under the late President Andropov enjoyed rapid promotion to full Politburo status and the Premiership of the Rusian Federation, the largest and most important of the 15 Soviet republics, has called for a continuation of the drive for greater discipline and economic reforms in an election address in Southern Russia.

Mr Vorotnikov, 57, is believed to have been groomed by Mr Andropov to take over the Premiership of the Soviet Union from 78-year-old Nikolai Tikhonov, the present Prime Minister. He is also one of the main forces behind the cautious economic reform and cadre rejuvenation policies begun by Mr Andropov.

Mr Vorotnikov's forceful restatement of the need to continue the drive against corruption and introduce new methods of management is seen by Western diplomats as part of an effort by younger leaders to keep up the momentum of economic reform despite the opposition of older cadres. The latter are believed to see Mr Konstantin Chernenko, the new Soviet leader, as the protector of their interests and at best lukewarm about reform.

The death of Mr Andropov interrupted a series of election meetings being held around the country in preparation for the formal "election" of new members to the Supreme Soviet, the rubber stamp Soviet Parliament on March 4.

Once candidates have been selected and their names placed on the electoral list, they are expected to make one speech in their constituency. Mr Vorotnikov is one of a series of Soviet leaders who are making use of this occasion to deliver speeches whose contents are being closely scrutinised for indications of the likely course of Soviet policy under Mr Chernenko.

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EUROPEAN NEWS

Swiss likely to back continued conscription

By Anthony McDermott in Geneva

THE SWISS vote next Sunday on whether to introduce a civilian alternative to compulsory military service for males of 19 years old.

It would be a significant change in Swiss thinking if the population said "yes" for it has rejected the idea once already. In a referendum in 1977 it failed by 533,733 votes to 85,868 as being "an idea ahead of its time," according to one official yesterday.

Switzerland has a standing army of only 50,000 but, thanks to conscription, constant training courses and a mobilisation system (from which Israel has learned), it can raise about 650,000 men within 48 hours.

It is a fundamental part of male Swiss life which its supporters claim is a great social leveller because it brings together in units people from widely differing walks of life.

There have been occasional demonstrations against compulsory military service. Last week, two men carried round Geneva a gaudy orange and yellow coffin marked, "vote No to military service." By contrast, the local right-wing party, Vigilance, has covered the city with posters of a youth in jeans and jogging shoes lying back with hat over face, lazily asleep. Below, "Vote No." The lines are drawn.

To oppose military service—and in Western Europe only Cyprus, Greece and Turkey refused to recognise the right of conscientious objection—is quite a step for a Swiss youth and not many take it.

Out of something like 40,000 recruits only 745 refused last year and received jail sentences of between four and nine months (compared with the 17 weeks' basic training).

The opprobrium lasts longer, however. Most Swiss companies will think twice about employing a man who has refused military service. Both Amnesty International and the Council of Europe have expressed views about this apparent curtailment of civil liberties.

Even those arguing for an alternative service half as long again as the training period, have found themselves up against a brick wall. One writer on Switzerland put it succinctly: "To question the army is to question Swiss honour. If the young 'won't go,' it must mean that they no longer think Switzerland worth defending."

Others argue that those wanting an alternative to military service have not come up with a sufficiently testing alternative.

The fact remains, however, that even if the debate has progressed since the first referendum, in all likelihood the Swiss people will reject and defer to a later date the idea that military service can be anything but compulsory.

Netherlands urged by OECD to curb public expenditure

BY PAUL BETTS IN PARIS

THE NETHERLANDS should reduce its high public sector deficit by cutting public expenditure rather than increasing taxes, says the Organisation for Economic Co-operation and Development (OECD) in its latest assessment of the Dutch economy.

The report warns, however, that the need to cut the size of the public sector and the deficit at a time of weak internal demand will have inevitable deflationary consequences in the short run.

As a result, it expects the already high unemployment rate to rise higher to about 16.5 per cent of the workforce by the end of this year. Real growth in gross domestic product of slightly more than 1 per cent in both 1983 and 1984, says the report, will not be sufficient to stem the fall in employment in the private sector which started four years ago.

The OECD argues, though, that the burden reducing the public deficit on output and employment will moderate as the efficiency and profitability of industry improves.

The current level of profitability in Dutch manufacturing industry is extremely low both by historical and international standards, it adds. Industry's ability to respond to market forces would be enhanced by reducing subsidies to non-viable sectors.

The report endorses Dutch efforts to lower social security benefits in order ot reduce both public expenditure and improve the flexibility of the labour market and investment prospects. But it says that substantial new commitments are essential in decentralising pay bargaining and avoiding indexation in wage contracts.

The rapid increase in public debt and high debt servicing costs will force the authorities to reduce borrowing over the medium term, suggests the report. While lower international interests rates would ease the debt servicing problem, it would not solve it.

Although the rate of unemployment is one of the highest among the 24 OECD member countries, inflation has been reduced to one of the lowest levels. The 2.5 per cent rate of inflation, however, is expected to accelerate a little this year because of higher import prices and an increase in indirect taxes.

Setbacks for Communists over Craxi incomes policy

BY JAMES BUXTON IN ROME

EFFORTS BY the Italian Communist Party to force the Government of Sig Bettino Craxi to abandon its policy of imposing a reduction in wage indexation by decree have already suffered setbacks.

The party's motion calling for the rejection of the decree as unconstitutional was defeated by a substantial majority on a secret ballot in the Senate on Wednesday night. Earlier, a general strike called in Rome by the Communist-oriented CGIL union failed to achieve more than a modest turnout and had little effect on life in the city.

Sig Enrico Berlinguer, the party leader, this week warned the Government that if it did not abandon its compulsory incomes policy, its days would be numbered. The policy involves a cut in the workings of the *scala mobile* wage indexation system, and a limit on government-controlled price increases.

It was introduced by decree last week with the support of all but the Communists of the union movement. But, despite Wednesday night's favourable vote, the measure has other parliamentary hurdles to cross, and must be approved within 60 days.

Nevertheless, the staving off of the Communist threat should create a more stable background for the five-day congress of the Christian Democrat Party which begins today.

It is expected to reaffirm by a substantial majority the leadership of Sig Ciriaco de Mita, despite the fact that last June he led the party into its worst ever electoral setback. Its vote fell nearly six points to 33 per cent.

UN chief in East Europe

BY DAVID BUCHAN

THE UNITED NATIONS secretary general, Sr Javier Perez de Cuellar, has spoken out on his curent tour of Eastern Europe about the importance of human rights. But, in the more controversial part of his trip, in Poland and Czechoslovakia, he evidently achieved little. He is due to go on to Bulgaria on Saturday from Budapest where he arrived yesterday from Czechoslovakia.

The Czech human rights group, Charter 77, is reliably reported to have sent him a letter protesting about their persecution. In talks with Czechoslovakia leaders, he promised to help with the release of some 20 Czechoslovaks held hostage by anti-Marxist Unita rebels in Angola.

In Poland he obtained the release of a Polish employee of the UN imprisoned for spying.

While he made a speech in Krakow stressing all human rights, including trade union asociation, his raising of the issue of Solidarity prisoners seems to have had little effect on the Polish authorities.

Drinking has become almost unacceptable in public, reports **David Brown** in Stockholm

If you fancy a Scotch, avoid Sweden at the weekend

CONSUMPTION OF yeast, flour and sugar in Sweden has rocketed, but not because people are baking more bread. Burdened with perhaps the highest alcohol prices in Europe and stern anti-drinking laws, the Swedes are turning to making their own spirits at home.

The abuse of alcohol in private follows years of Government attempts to abolish drinking as an acceptable part of daily public life. Alcoholics in Sweden face a social ostracism of a kind unknown elsewhere in Europe.

Arrests for home brewing stood at 440 in the first half of 1983 compared with 140 for the same period in 1980. The National Board of Health and Welfare says that "factory-like" distilleries have been discovered.

Official policy is aimed at discouraging consumption and raising revenue at the same time. The Government has a monopoly on liquor sales, which together with related taxes, will generate an estimated 5 per cent of its total revenue in the 1984-85 budget year.

According to official sales figures, average consumption over the past five years has dropped by 14 per cent, but the statistics may be misleading. The Government estimates that "millions of litres," of alcohol are being smuggled or illicitly produced in Sweden every year.

The growth of illegal drinking reflects the gulf between private practice and public policy which is rooted in a strong temperance movement. Sweden is considered part of the northern "vodka belt," and although consumption is only 6.2 litres per capita of absolute alcohol annually, compared with about 14 in France, 12.5 in West Germany and 11 in Italy, drinking is regularly pronounced "the greatest social and medical problem in the country."

Anti-drinking laws are draconian.

● There are 316 liquor outlets to serve a population of 8m people and they are open only during normal working hours on Monday to Friday, a particular inconvenience since both husbands and wives work in most households.

● Nobody under 20 can buy from the liquor outlets, although those aged 18 the age of majority can be served drinks in pubs and restaurants. Officials claim to have reduced alcohol consumption by young people by as much as 50 per cent in the last 10 years but arrests for drunkenness of people under 17 have increased at an annual rate of 15 per cent, more than triple the national average.

● The blood alcohol level for a charge of drunken driving is one of the lowest in the world. Penalties are severe and the law is strictly enforced.

● People who are deemed to have an "alcohol problem" are in effect forced to seek treatment leading to total abstention. Social workers are required to investigate any report of alcohol problems, even anonymous telephone calls. If a person is deemed to be doing himself or others serious harm and refuses to seek treatment, the social worker may deny or cut off social benefits, take children into care and commit the person against his will to a state institution for "temperance therapy."

"We Swedes have a neurotic, inflamed, ambivalent and guilty relationship to alcohol," says Dr Bo Lofgren, a leading therapist and writer. "When we drink, we do so chiefly to get intoxicated."

The Swedish Board of Health reports that there are tendencies "towards a continuation of adolescent patterns of drinking behaviour into adulthood."

It is fairly easy to see why Swedes have turned to drinking in private. Business and official meals are accompanied by mineral water and an innocuous "light beer," a kind of hops-flavoured soft drink.

Champagne is not available at the opera or ballet, and a pint of beer costs an average £2 in pubs and restaurants. Only 3 per cent of all liquor consumption is in public places.

Yet Swedes will queue sometimes for hours at weekends to get into the few licensed pubs where beer is ordered according to strength, not brand.

The proportion of abstainers has declined among men by 4 per cent to 8 per cent of the total population in the last 20 years and even more dramatically by 13 per cent to 15 per cent of the total women.

Liver cirrhosis deaths have climbed almost four-fold, while diagnoses of alcoholism have jumped by almost twice that amount. Officials estimate that around 4 per cent of the population has a "serious drinking problem."

But Swedes are reluctant openly to discuss drinking or to actively seek help if they have a problem, so the figures may not be accurate.

One reason is the legal requirement that institutional therapy must achieve total abstinence, an unrealistic and discouraging goal according to some therapists; another is the widely recognised danger of getting tangled in the net of the social work departments.

The social workers are powerful figures who disburse the benefits upon which every Swede depends to some degree.

Swedish opposition leader Ulf Andelsohn and aides celebrate his party's 1982 election gains with coffee and drinks . . . but in public life, mineral water is the normal tipple.

Their rights to impose penalties on recalcitrant alcohol problem sufferers is defended by Mr Paol Salius, a social office administrator in Gothenburg. "These people simply do not have the right to do as they please and have society as a whole pay the price," he said.

Mr Rune Gustafsson, an MP who is a former Minister of Social Affairs and a sponsor of temperance legislation says: "The total cost to society of these people is enormous, perhaps as high as SKr 60bn (£5bn) per year."

Mr Gustafsson believes that rationing is the only way to get at the major abusers. Teetotallers are heavily represented in the Riksdag (parliament) and calls for a return to the pre-1955 rationing system are frequent.

What Sweden's drink policy may have accomplished is to create a large network of illicit production, to elevate drinking to the status of "forbidden fruit," and to discourage problem drinkers from coming forward and seeking help.

"We are now so spoiled by big brother looking after us all the time," says Dr Lofgren "that we may have no natural defences left."

OVERSEAS AND AMERICAN NEWS

Leading Israeli banker commits suicide

BY DAVID LENNON IN TEL AVIV

MR YAACOV LEVINSON, an outstanding figure in Israeli banking and finance for more than a decade, committed suicide yesterday. In a suicide note he alleged that senior officials of Bank Hapoalim, the country's second largest bank, had hounded him to death.

The suicide of Mr Levinson, for 12 years Chairman of Bank Hapoalim, shocked the Israeli banking community which is still trying to recover from the turmoil over the October bank share crisis.

His death came a day after the police fraud squad began to study the results of a Bank Hapoalim internal investigation into alleged financial irregularities by Mr Levinson. The police said yesterday that the investigation will continue.

The allegations centred around the transfer of Bank Hapoalim assets at book value to Ampal, a U.S. investment subsidiary, which registered them at their real value. The investigation also examined possibly improper connections between Ampal and U.S.I. Investments, a company registered in Delaware in 1982 by Mr Levinson.

The late banker consistently denied any wrongdoing. In the suicide note found in his home in Ramat Gan, a Tel Aviv suburb where he shot himself yesterday, he complained that he "can no longer bear the web of libel and degradation."

In his bitter last testament, Mr Levinson accused "the gang which spreads among those controlling the bank" of wanting to bury him."

"For the past year they have been secretly drinking my blood drop by drop . . . the person who is serving as Chairman of the Board of Bank Hapoalim told me several times, 'they want you under a marble slab.'

"They will not leave me alone under any circumstances, because if they cannot prove my so-called crime and so-called mismanagement they will have to bear the consequences . . ."

The gang, he wrote, "diligently weaves a web of lies . . . and now they are busy dividing up the spoils."

The Board of the bank met privately all day yesterday to discuss the impact of the suicide on the bank, but apart from expressing shock over his death made no further comment.

Mr Giora Gazit, who succeeded Mr Levinson as bank chairman, said last night that he and his colleagues had behaved as required by their public and corporate obligations, even though this was difficult and painful.

His brilliant if sometimes ruthless management of Bank Hapoalim turned it from a sleepy trade union bank into a giant banking enterprise which is rated among the 100 largest banks in the world. The 1982 consolidated balance sheet exceeded U.S.$22bn.

After resigning the chairmanship of the bank in 1980, Mr Levinson served until recently as chairman of Ampal, the American Israel Corporation, a New York based bank Hapoalim subsidiary whose function is to mobilise capital in the U.S. for long-term investment in Israel.

Ten months ago Hevrat Ovdim, the Histadrut trade union federation which has controlling voting rights in Bank Hapoalim, appointed two bank directors to investigate the allegations about Mr Levinson.

Details of the investigation were revealed in a local magazine at the beginning of January, and the "Levinson affair" has been widely reported in the daily press ever since. There were many complaints yesterday that the press had hounded him mercilessly and calls were issued to tighten up Israel's very lax libel laws.

Asean 'hopes' on Indochina

By Chris Sherwell in Bandar Seri Begawan

SENIOR POLITICAL and military figures in the pro-western Association of South East Asian Nations (Asean) yesterday insisted that the six-member group remained united in its stand on Indochina. They expressed fresh hope for a break in the stalemate with Communist Vietnam over its five-year occupation of Kampuchea.

General Benny Murdani, Indonesia's powerful army commander, who recently held talks with his counterparts in Hanoi, said in Brunei that he had the impression Vietnam was stretched militarily by its presence in Kampuchea and that Hanoi might be "as eager as we are" to get out of the present dilemma.

Air Vice Marshal Siddhi Savetsila, Thailand's Foreign Minister, declared that Gen Murdani's surprise visit to Hanoi did not mean that a rift was opening up within Asean.

Bush may seek early package from Japan

By Jurek Martin in Tokyo

The U.S. is believed to be considering dispatching its Vice-President, Mr George Bush, to Tokyo towards the end of April, presumably in an attempt to extract from Japan early concessions on outstanding commercial and financial disputes.

Should it take place, its timing would clearly reflect President Reagan's domestic political needs. Although trade friction with Japan is unlikely to be a major issue in the campaign, a Japanese concessionary "package" would at least provide the President with some response to Democratic charges

China and Britain end 'useful' session

CHINA and Britain ended their ninth round of talks on the future of Hong Kong yesterday, and scheduled their next session for March 16 and 17, Our Foreign Staff writes.

Repeating a formula which has become customary after negotiating sessions on Hong Kong, a joint statement said the talks were "useful and constructive"

The fact that the next session is only three weeks away, compared with the four-week gap between the January and February meetings, is being seen as a possible sign of acceleration

Non-oil foreign investment in China up

BY MARK BAKER IN PEKING

INVESTMENT BY foreign companies in joint ventures in China more than doubled last year to about $400m, according to official figures released yesterday.

An official of the Ministry for Foreign Economic Relations and Trade said about $800m had been invested by Chinese and foreign firms in 188 joint ventures between 1979 — when China first permitted such investment—and last year.

It is known that most of the ventures involve about equal investment by both parties.

The official, who was not named, told an international legal seminar that 105 joint ventures had been approved last year with a total investment of $515m.

The biggest are a Belgian telephone equipment joint venture in Shanghai involving $98m and the American Motors Corporation Peking Jeep joint venture involving $51m.

The ministry also said that between 1973 and 1981 China had signed 130 technological transfer contracts with foreign companies.

The transfer deals were mostly in energy and power generating equipment, electrical machinery and precision instruments. Some 20 of the contracts were signed with British companies.

The joint venture investment figures do not include investment by foreign companies in offshore oil exploration

It is estimated that up to the middle of last year foreign oil companies had spent about $490m on the offshore industry, compared with about $4m spent by the Chinese.

Brazil debt arrears rise as squeeze on liquidity tightens

BY ANDREW WHITLEY IN SAO PAULO

BRAZIL FACES a worsening liquidity squeeze as it anxiously awaits the release of $3.4bn (£2.4bn) in loans due shortly from the International Monetary Fund and its foreign bank creditors.

Western bankers here say arrears on debt interest payments have climbed sharply since the end of last year, to reach unprecedented levels.

The average delay on interest is now estimated at 130 days, with total foreign payments outstanding believed to be about $4bn.

This means the Brazilian Government will almost certainly be unable, in the foreseeable future, to meet its promises to foreign creditors to end foreign exchange controls and cear up outstanding arrears.

The commitments, originally due to be met by the end of December, were contained in the country's third Letter of Intent to the IMF, signed last September.

The likelihood, bankers believe, is that the stranglehold on tranfers abroad, contained in the central bank's Resolution 851, will be only partially relaxed. Some form of controls and a priority allocation system for foreign payments could well be maintained for the rest of the year.

As the six-member IMF team visiting Brazil completes its third week of work, there is growing nervousness in Brasilia over last-minute, unexpected delays in the planned disbursement of $3bn out of the $6.5bn jumbo loan signed with some 650 banks in January.

Officially, there is no link between the drawdown on this initial part of the jumbo and the next $390m tranche due from the IMF in mid-March. But, in practice, the bank steering committee may want to wait for the outcome of the IMF's latest negotiations with the Brazilian Government before authorising the release of its funds.

Earlier this week, Sr Affonso Celso Pastore, the Brazilian Central Bank Governor, vigorously refuted a statement by the president of the state-owned Banco do Brasil that release of the much-needed, new foreign bank loans was informally linked to the current negotiations with the IMF.

The IMF's board is due to meet in the first half of March to consider Brazil's latest Letter of Intent—now in the final stages of being drafted—and its request for a "waiver" on the domestic targets it missed at the end of 1983.

Bankers on the advisory committee that has been spearheading negotiations with Brazil say they now expect the first $3bn tranche of the jumbo loan to be disbursed in mid-March.

It has taken longer than expected to complete the administrative process of signing the loan and a gap of eight to 10 days was expected between completion and the first disbursement.

Pressure grows to end Sikh violence

By John Elliott in New Delhi

BOMB BLASTS and shootings continued in the northern Indian states of Punjab and Haryana last night as the Government in New Delhi came under increased pressure on the opening day of its budget session in parliament to solve the region's sectarian problems.

More than 50 people have died in the area during the past ten days since Sikh extremists launched a fresh wave of violent protests against peace talks which briefly took place in New Delhi last week.

Many of the killings have been acts of revenge against groups involved in the violence that broke out last week when shootings spread from the Sikh areas of the Punjab to Hindu groups in the neighbouring state of Haryana.

Yesterday began quietly with curfews continuing for part of the day in many areas. But last night there were reports of two deaths in shooting incidents and of two bomb blasts.

In New Delhi two opposition parties walked out of the opening session of the parliament. Both Mrs Indira Gandhi, Indian Prime Minister, and Mr Zail Singh, the President, have condemned the violence.

The Government is under some pressure to send police into the Golden Temple enclosure at Amritsar in the Punjab, which is a militant Sikh stronghold and a hideout for extremists. Mr Rajiv Gandhi, Mrs Gandhi's son and a General Secretary of her Congress I Party, called earlier this week for police to be sent in.

Yesterday Sant Harchand Singh Longowal, Akali Dal president and a key moderate Sikh leader, said Mr Rajiv Gandhi's statement was "dangerous" and added fuel to the fire.

Unitary tax repeal unlikely this year

BY NANCY DUNNE IN WASHINGTON

THE FAILURE of the Reagan Administration's working group on unitary taxation to agree on a recommendation before the winter meeting of the National Governors' Association virtually ensures that there will be no action by the states to repeal controversial tax practice this year.

That consensus emerged in a meeting of federal, foreign, state and corporate officials assembled yesterday in Washington to discuss state taxation on the worldwide earnings of multinational corporations.

"Those opposed to worldwide unitary tax have been continuing on the working group – and more importantly the National Governors' Association – to present an attractive alternative to the states in time to influence their 1984 legislative deliberations," said Mr Martin Miller, chairman of state and federal associates.

Sr Alejandro Orfila

That hope had been dashed, he said. Any solution presented by the working group would come too late in the year for action by most state legislatures.

Federal legislation to abolish the taxes is also "a loser for the immediate future," said Mr James Rosapepe, a consultant with the multi-state tax commission. He insisted that a solution to the controversy would have to emerge from the working group, which he called "a model" that state, federal and corporate interests would use in the future as states struggled to deal with increasing international trade issues.

However, Mr Rosapepe warned there has been a vast over reaction within the corporate community to the spread of unitary taxation. "I would be flabbergasted if one additional state adopts unitary taxation this year. I would be surprised if one additional state adopts unitary taxation next year," he said.

Mr Alejandro Orfila, Secretary General of the Organisation of American States, said the state governments were ignoring the international implications of unitary taxation at their own "peril."

"We are, all of us – state governments, national governments and private corporations – part of an international network of our own creation. I believe it is a very risky game we are playing when we assume there are no foreign policy implications in such a policy matter and that the concerns expressed by foreign-based multinational corporations and by the governments of our foreign trading partners are merely rhetoric," he said.

Approval for death penalty

By Stewart Fleming in Washington

THE U.S. Senate has approved by a vote of 63–32 a Bill which would restore the death penalty for major federal crimes such as treason or espionage. The attempted assassination of a president and murders in prison would be added to the list of crimes which can be punished by execution.

In a 1972 judgment the Supreme Court effectively made the death penalty unconstitutional. But since then, 38 states have rewritten their death penalty laws and there have been a dozen executions under various state laws in recent years.

Federal law has not been revised, however. The Senate move to undertake this task has fuelled the debate over capital punishment. The Bill must now go from the Republican-controlled Senate to the House of Representatives, where its future is unclear.

Grenada court charges 18 coup leaders

EIGHTEEN of Grenada's former political and military leaders have appeared in court to answer charges in connection with the bloody coup that led to a U.S.-led invasion last October, Reuters reports from St George's.

Former Deputy Prime Minister Bernard Coard and ex-army Commander Hudson Austin were charged, along with nine others, with conspiracy to murder.

Seven former soldiers of the disbanded People's Revolutionary Army were charged with the murder of Prime Minister Maurice Bishop, three of his ministers and four other officials during the coup.

Canute James in Kingston adds: Members of the Caribbean peacekeeping force restrained an angry crowd chanting "murderer, murderer" as the accused were led to the court.

Congress set to reduce restrictions on ship owners

BY PAUL TAYLOR IN NEW YORK

THE U.S. Congress has moved significantly closer to enacting new legislation which would greatly increase the shipping industry's immunity from anti-trust laws and ease the present restrictions on groups of competing Ocean Cargo lines which get together in "conferences" to fix prices and co-ordinate sailing times.

The legislation, the first major U.S. Shipping Act for almost 70 years, cleared a House-Senate conference committee late on Wednesday and now appears almost certain to become law.

The committee approval marks a major victory for the ship line owners. They had mounted an extensive lobbying campaign to overcome critics who had argued that the broad anti-trust immunity provisions in the proposed legislation, known as the Shipping Act 1983, could lead to a variety of anti-competitive practices and ultimately to higher prices for customers.

While overseas governments do not regulate the international shipping conferences, U.S. case law, which has developed over the years, requires U.S. shipping lines to seek prior approval from the Federal Maritime Commission to enter into such rate-setting agreements. This process has sometimes taken up to three years to complete.

El Salvador death toll

BY HUGH O'SHAUGHNESSY

SOME 9,000 were killed in the civil war in El Salvador last year, according to the non-government Legal Aid Office in its annual report to be presented to the UN Human Rights Commisssion in Geneva.

In military operations an estimated 4,800 died. The armed forces carried out 3,658 selective assassinations, the para-military "death squads" 1,596, and the guerrillas 67.

The activities of the death squads increased noticeably in the second half of the year.

The report concludes that the Salvadorean Government has failed in its duties under the Geneva Convention and has not controlled the death squads.

At the same time the Legal Office reports that Government forces last year were responsible for "persistent, grave and massive violations of human rights" at a greater level than in 1982.

The Office says the real number of deaths is higher than those notified in the report which is limited to well-documented cases.

Swiss asked to supervise poll

NICARAGUA is seeking help from Swiss experts to supervise the drafting of its new constitution and the first elections to be held since the Sandinistas seized power in 1979, a Swiss newspaper reported yesterday, AP reports from Geneva.

The Tribune de Lausanne said the Nicaraguan Government has approached several Swiss experts on constitutional law for help with the drafting of a new constitution to be drawn up by an assembly

The Swiss daily, quoting Nicaragua's permanent representative to the UN in Geneva, Sr Gustavo Adolfo Vargas, said international observers would be invited to supervise the proceedings

WORLD TRADE NEWS

Austrian exports to Soviet Union up by 14.6%

BY PATRICK BLUM IN VIENNA

AUSTRIA'S exports to the Soviet Union last year rose by 14.6 per cent to Sch 10.8bn (£40m), reducing Austria's traditional deficit with Moscow from Sch 7.5bn in 1982 to Sch 4.1bn last year.

Imports from the Soviet Union declined by 11.9 per cent to Sch 14.9bn, due mainly to a further decline in energy imports which account for over 80 per cent of Austria's imports from the Soviet Union. These fell by 14 per cent to Sch 12.4bn in 1983.

Of Austria's exports to the Soviet Union, the largest share was semi-manufactured goods including iron and steel—up 18 per cent to Sch 5.4bn—followed by machinery including ships—up 3.5 per cent to Sch 2.6bn—and *food and agricultural* products up 68.5 per cent to Sch 680m, of which wheat alone accounted for Sch 300m—up 4.000 per cent compared with 1982.

Austria's trade balance with Eastern Europe, including the Soviet Union, but excluding Yugoslavia and Albania, also improved. Exports were up 13.2 per cent to Sch 33.5bn, and imports were down 1.2 per cent to Sch 36.5bn, thereby reducing Austria's deficit with Eastern Europe by more than half.

Imports from Eastern Europe represented 10.5 per cent of all imports, and exports 12.5 per cent of the total, excluding services.

Exports to East Germany were worth Sch 6.3bn—an increase of 76.8 per cent on the previous year, due mainly to the delivery of an Austrian steel plant. Imports from East Germany fell by 7.7 per cent to Sch 2.7bn.

Austrian exports to Hungary fell by 4.9 per cent to Sch 6.1bn while imports rose 24.6 per *cent to Sch 5.9bn. The main* exports were semi-manufactured goods mostly iron and steel (Sch 2.2bn), machinery (Sch 1.5bn) and chemicals (Sch 1.3bn).

Czechoslovakia bought 41 per cent less Austrian goods, while it exported 1.2 per cent more to Austria.

In contrast, Austrian exports to Poland rose by 36.6 per cent to Sch 3.1bn, and imports from Poland also rose 11.3 per cent to Sch 3.6bn. The biggest increase in Austrian exports to Poland was in food and agricultural products which went up 240 per cent to Sch 790m. Exports of machinery were also up 40 per cent at Sch 400m.

Austrian exports to Bulgaria rose 24.5 per cent to Sch 2.6bn while imports fell 18.5 per cent to Sch 467m. Exports to Romania fell 38.2 per cent to Sch 1bn while imports rose 21.5 *per cent to Sch 1.5bn.*

Austrian exports to Yugoslavia fell 7.4 per cent to Sch 7.2bn, while imports rose 18.5 per cent to Sch 3.5bn. The most important exports to Yugoslavia were also semi-manufactured goods and machinery.

Curb likely on robotic exports to Soviet bloc

BY DAVID BUCHAN AND CHRISTIAN TYLER IN LONDON

WESTERN industrial robot manufacturers will probably face new restrictions later this year on their sales to the Soviet bloc, as a result of recent meetings of officials from Nato countries and Japan in the Paris-based Coordinating Committee (CoCom).

Mr William Archey, a U.S. deputy assistant secretary of commerce and chief administrator of export controls, said yesterday that CoCom, the alliance body which vets militarily sensitive technology sales, had in the past two months "resolved most of the issues" about placing sophisticated robots on the CoCom embargo list. But in London, officials expressed some puzzlement, saying many control parameters on robotics had still to be defined.

Controlling robotic exports to the Soviet bloc would be an important step because of their use in precise manufacture of such military items as aircraft and jet engines, Mr Archey said.

Montedison-USSR deal on specialty plastics plant

By Alan Friedman in Milan

MONTEDISON, Italy's chemicals giant, yesterday signed a letter of intent to furnish the Soviet Union with a specialty plastics plant. Sig Mario Schimberni, president of Montedison, said in Moscow yesterday that the contract would be worth between $40m and $50m.

Sig Schimberni returned to Milan last night after a three-day visit to Moscow, where he also agreed a programme of technological co-operation in a variety of fields, ranging from chemicals to telecommunications. *Montedison has already supplied the Soviet Union with 37 chemical* plants.

After meetings with Mr Nikolai Baibakov, head of the Gosplan state planning agency, and Mr Nikolai Komarov, Vice-Minister for Foreign Trade, Sig Schimberni said he expected significant progress in commerical relations between Italy and the USSR.

"I obtained more than I expected. *The Soviet authorities* have given a sign of their desire for collaboration with Montedison, which is also a sign of their willingness to increase commercial and political ties with Italy," he added.

Clark component deal with Mitsubishi

Clark Equipment said it had expanded its worldwide sourcing of components by signing a five-year agreement with Mitsubishi Heavy Industries, Mitsubishi Motor Corp and Mitsubishi Corp, Reuter reports from Battle Creek, Michigan.

Clark said the agreement provides for it to purchase gas- and diesel - powered engines and services through Mitsubishi.

It said the engines would be used in certain cushion and pneumatic tyre lift trucks manufactured in the United States, Europe and other overseas areas.

John Elliott in New Delhi on an ambitious push in the indigenous electronics industry

India plans hi-tech telecom development

THE INDIAN Government has *decided to try to develop its* own indigenous technology for manufacturing advanced electronics telecommunications equipment within the next four years, despite widespread international scepticism about whether this can be done.

The decision has been sparked by a growing determination for both prestige and economy reasons to prove that India can design and operate its own major technologies.

The government has been offered technological help by the British Government and by groups of Indian telecommunications experts living in the U.S., and it has authorised the immediate creation of a national centre for electronic switching to develop a pilot factory.

A recent cabinet decision to go ahead with the project *coincides with the final stages* of negotiations between the *Government and Cit-Alcatel of* France on the second of two controversial contracts setting up three electronic digital switching factories in various parts of the country.

These projects form part of a massive expansion of telecommunications in India aimed *at transforming* the country's chronically bad telephone communications which at present inhibit economic development and industrial efficiency.

> 'India wants to prove it can design and operate its own major technologies'

The communications ministry has prepared a $12.5bn investment budget for India's seventh five-year plan 1986-90 which is more than five times larger than the 1980-85 planned investment. It is expected to gain approval for at least 75 per cent of that amount when the overall plan *is finalised in the middle of* this year.

A new emphasis is being placed on putting the work out to international tenders. This follows controversy over Cit-Alcatel being picked for the major contracts placed abroad so far when the French *company beat several competitors* including System X from the UK and an offer from Siemens of Germany whose government was convinced it would win the second stage of the work and allocated financial aid accordingly.

One illustration of the new approach is that Plessey of the UK, which has hoped for more than two years to win a rural exchanges contract worth over $30m, has recently been told its offer will be considered alongside other international tenders.

In the large scale telecommunications switching field, the Department of Electronics has persuaded the Department of Communications to attempt to develop India's own digital switching technology for use in a fourth factory it wants to have in production by 1988, as well as importing the Cit-*Alcatel technology from* France.

The idea arose about a year ago, partly as a result of an approach by an Indian electronics engineer living in the U.S. to the Indian Government. The Government also intends to consider an offer of help from the British Government *based on GEC technology.*

The budget allocated for the new switching centre, however, is small at only $35m for systems development. Officials

> 'The expansion is intended to transform the appalling telephone system'

believe it may be sufficient if maximum use is made of the help offered and of relatively low-paid Indian software engineers.

A pilot production factory is to be set up on a site which will be chosen soon, but no final decision has yet been taken on the main factory's development.

In the meantime CIT-Alcatel is going ahead with contracts it has won. The first is worth about $60m to $70m for a new factory costing a total of about $170m at Gonda. In an industrially backward part of the northern state of Uttar Pradesh near Lucknow. It is scheduled to *start production next year and* turn out 500,000 lines of switching equipment by 1989. Cit-Alcatel is now finalising negotiations and the French Government is concluding financial aid arrangements on a second contract for another large 500,000 line factory subject to approval from the Indian Government's public investment board.

The site is at Bangalore, India's traditional telephone industry centre where Cit-Alcatel had hoped to build the first factory before it was diverted to Uttar Pradesh. There have been problems in recent months over the price of this contract which is likely to be well above the $60m to $70m of the first factory although the total project cost will be lower because Bangalore is a developed industrial area.

Siemens of West Germany, still hopes to oust Cit-Alcatel, but it now seems assured that *the development of India's* digital trunk switching systems is in the hands of the French plus Indian engineers at home and abroad who will use other foreign expertise to help them prove India's eventual technological self reliance.

U.S. orders for Brown Boveri

By John Wicks in Zurich

THE SWISS parent company of the Brown Boveri group, has received two power-station orders from the U.S. worth a total of some SwFr 100m (£31.32m).

One of these involves replacement of all low-pressure internals of the turbine-generator set at the Rancho Seco power station operated by the Sacramento Municipal Utility District

The second order has been placed by Commonwealth Edison of Chicago, and foresees replacement of the low-pressure rotors of the nuclear power stations Quad Cities 1 and 2 and Dresden 2 and 3.

Brown Boveri, which says the orders will be carried out primarily by the group's power generation division in Switzerland, has obtained the business although all the original installations were supplied by other manufacturers.

Japanese-U.S. talks on computer software copyright hit impasse

TOKYO—Japan-U.S. talks on computer software ended in a deadlock yesterday with American trade officials warning that the U.S. may retaliate if Japan enacts legislation stripping software of copyright protection.

Following discussions with *the Ministry of International* Trade and Industry (Miti), the Foreign Ministry, the Posts and Telecommunications Ministry, and the Agency for Cultural Affairs, U.S. participants said that if such a law were enacted, copyright protection might be revoked from Japanese software in the U.S.

They added that action may also be taken against Japanese sellers and developers of software. The dispute between the two countries centres on a software programme rights law prepared by Miti.

The Miti proposal calls for a software protection period of only 15 years, compared with 50 years in a revised Japanese copyright law and 75 years in the U.S.

The U.S. pointed out in yesterday's meeting that 15 years falls far short of the 50 years in the Berne Convention or 25 years in another international copyright pact to which both Japan and the U.S. are party.

U.S. Trade Representatives, including Mr Clyde Prestowit, counsellor to the secretary of Commerce, said there is a basic philosophical difference between U.S. and Japanese concepts about software.

The U.S. considers software —along with books and music— to be intellectual property protected by copyrights. But under the Japanese proposal software might be treated as industrial property protected by patents they said.

The Americans also stressed that compulsory licensing in the Miti proposal was unnecessary while Miti officials termed their proposal as "arbitration" designed to serve the interests of the software industry and the public.

Mr Yukiharu Kodama, the Miti's chief delegate to the high tech group conference, said: "We will draw up a software law draft by taking into consideration" the American views. He did not elaborate.

The meeting was also attended by representatives of the Cultural Affairs agency, which has already mapped out a bill revising the existing copyright law. It guarantees 50 years of protection for software, as for novels, movies and other creative works.

The deadline for submission of non-budgetary bills such as software legislation to the Diet (Parliament) is March 27.

The Education Ministry's affiliate contends the revised copyright law can provide software with legal protection but Miti insists software does not fit into either the copyright law or the patent law.

Kyodo.

Honeywell to sell French software

PARIS — Honeywell Information Systems, a unit of Honeywell of the U.S., will sell videotex software developed by Groupe Francais D'Informatique in the U.S. market under an agreement announced this week in Paris.

Simultaneously, it was announced that Honeywell had placed an initial order for 2,500 Minitels, the low-cost, user-friendly videotex terminals already in wide use in France, from a division of Cit-Alcatel, a unit of the state-owned Cie Generale d'Electricite group.

The agreement with Groupe Francais d'Informatique involves a French videotex software package called Telesource,

The overall package, which was derived from the flourishing Teletel programme was masterminded by the French post and telecommunications authority, will make available relatively cheap in-house videotex systems to American businesses.

AP-DJ

UK NEWS

Crown Agents told to prepare for public sale

BY DAVID DODWELL

THE GOVERNMENT yesterday announced a stay of execution for the Crown Agents, the 150-year-old organisation which procures goods and services for overseas governments.

A threat of abolition has been lifted. Instead, the Agents are under orders to become profitable by 1986 and to pave the way for privatisation some time after that.

The future of the Crown Agents has hung in the balance since July last year when it lost a contract to manage a £3.5bn investment portfolio for the oil-rich Sultanate of Brunei in South East Asia.

The loss stripped £4m a year from the Crown Agents earnings, and plunged it into the red. It threw away plans laid down by the Government in 1981 to achieve specific profit targets up to 1984, and forced the Agents to go cap in hand to the Government for the third time in a decade.

For nine months, various government departments have debated whether the Crown Agents ought to be abolished, bailed out, or privatised. Yesterday's announcement, by *Mr Timothy Raison*, the Minister for Overseas Development, carries the mark of significant compromise on all sides.

Reorganisation plans activated after the loss of the Brunei contract are to be pressed forward. Mr Raison said. The Crown Agents' staff will be trimmed from the present level of 1,200 to below 900. Their present plush headquarters are to be sold as soon as possible.

Mr Raison accepted that profits were out of the question at present, but he said he expected the Agents to be "fully profitable by not later than 1986." Between now and then, the Agents' interest payments on £19.8m of debt – amounting to about £2.2m a year – are likely to be waived.

After 1986, Mr Peter Graham, the recently appointed chief crown agent, is under instructions to pave the way towards privatisation.

Mr Graham said yesterday that he was "delighted" with the Government's decision not to abolish the Crown Agents. He said the decision vindicated his arguments that the organisation was viable, and could be sensibly privatised over a period of time.

New group formed to bid for Sealink

By Andrew Fisher, Shipping Correspondent

BIDDING interest in Sealink UK intensified yesterday with the announcement that a new consortium, including management, had been formed to make an offer for the British Rail ferry subsidiary.

It includes National Freight Consortium (NFC), itself the result of a buy-out by management and employees from the Government. If the offer succeeded, NFC would later combine with Sealink to form an enlarged international transport, freight and travel group.

Both Trafalgar House and Peninsular and Oriental Steam Navigation (P&O) have told the Government they are interested in Sealink when it soon comes to the market.

The consortium's offer is, however, the only one to provide for management and employee participation. The formal sale document is expected early next month.

Charterhouse Japhet, the merchant bank, has assembled the consortium. Apart from NFC and the Sealink executive board, it includes Globe Investment Trust, Charterhouse J. Rothschild and the James Fisher shipping company.

NATIONAL INSTITUTE REVIEW

U.S. growth expected to lead Europe's over next two years

BY ROBIN PAULEY

STRAINS in the U.S. economy, especially in the financial markets, must be expected to increase, according to the quarterly review of the world economy by the National Institute of Economic and Social Research. But it says that growth in the U.S. is still likely to outstrip that of Western Europe in both 1984 and 1985.

By the end of 1983, the North American recovery was slowing down but Western Europe – except France – was picking up, the institute states. It expects these trends to continue this year and next.

It forecasts overall growth in the Organisation for Economic Co-operation and Development (OECD) countries to be 3½ per cent in 1984 and 2½ to 3 per cent in 1985. A substantial contribution will come this year from investment, both in fixed assets and in stocks. Unemployment should fall further in North America and may not change much in Western Europe.

"It seems fairly clear that no effective action to bring the [U.S.] budget deficit under control will be taken before the Presidential and Congressional elections, and problematical whether other countries' enthusiasm for investment in the U.S. will survive the widening of the trade deficit which the present over-valuation of the dollar seems to portend," the institute says.

It expects some depreciation of the dollar in the second half of 1984, particularly against the yen, together with some increase in inflation and interest rates, the latter tending to slow down the rate of growth as recovery proceeds.

This could mean that the overall rise in consumer prices in the OECD area will again be about 5½ per cent this year and slightly more in 1985. In Western Europe, however, inflation is expected to become progressively slower, with the wage-price spiral continuing to turn downwards.

The export prospects for developing countries are described as being reasonably good. They would probably wish or be constrained to reduce further their current deficits. But growth in their volume of exports should rise as the volume of world trade increases by 5 to 5½ per cent in both 1984 and 1985.

Total unemployment in the OECD area levelled out during the first half of last year and fell quite fast during the second half, when continuing falls in North America ceased to be balanced by increases in Western Europe.

The National Institute's output forecasts imply that the falls in unemployment in North America should continue this year and next.

GROWTH IN GDP
(Percentage rise in volume, annual rate)

	U.S.	Canada	Japan	France	West Germany	Italy	UK	Total (weighted)	Western Europe
1983 (estimate)	3.3	3.0	3.0	0.5	1.2	−1.5	3.1	2.2	1.0
1984 (forecast)	5.0	5.0	4.0	0.3	2.5	1.5	2.2	3.4	1.6
1985 (forecast)	3.0	3.0	4.5	1.8	2.8	2.0	1.4	2.8	2.0

Stagnant business and 8% inflation forecast for 1985

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE BRITISH economy is likely to continue its moderate rate of growth this year but with some acceleration in the rate of inflation, the National Institute says. It has become more optimistic about the course of recovery this year since its last forecast in November.

Then, it was expecting very feeble growth in total output through the year, with a rise of only 1 per cent between the fourth quarter of 1983 and the fourth quarter of this year. Now, it is predicting growth of a little over 2 per cent in the period, which aligns its forecast for output this year more with that of the Treasury's November autumn statement.

The institute remains gloomy, however, about the prospects for reducing unemployment. It thinks that will rise from an underlying total of 2.9m last year to 3.2m in 1985.

It is also pessimistic about the prospects for 1985, which it thinks will be a year of stagnant business activity, accompanied by rising unemployment and an inflation rate reaching almost 8 per cent by the end of the year.

Mr Nigel Lawson, Chancellor of the Exchequer, is urged to give the economy a moderate stimulus in his budget next month. To prevent the forecast stagnation the institute says the budget should stimulate investment rather than consumer spending.

For 1985 as a whole, the institute is expecting output to be 1.4 per cent higher than the level for 1984, but growth through the year is predicted to be only about ½ per cent.

Comparison between the institute's forecast and the Treasury's more optimistic predictions is made difficult by the fact that their estimates for Gross Domestic Product are on different bases. The institute continues to use the output measure of GDP, which it says probably gives the best indication of short-term trends. The Treasury uses the average of three different yardsticks – the output, income and expenditure measures.

The institute compares the recent recession and recovery phase with two other exceptionally deep recessions this century – the one in the 1930s and the recession which followed the 1973–74 oil crisis.

It says the depression of 1929 lasted longer than the most recent recession, but recovery when it came was sharper in the earlier period, with a more rapid fall in unemployment and a relatively larger pick-up in industrial output.

It also shows that in comparison with the business cycles between 1970 and 1974, and 1974 and 1979, the recovery of manufacturing investment has been much weaker in the recent recovery.

By the fourth quarter of 1984, the institute is forecasting that manufacturing investment will have receded to only about 7 per cent of its level in the early part of 1979.

By contrast, in the summer of 1974, manufacturing investment had recovered to about 5 per cent above its level at the previous peak of activity in the latter part of 1970.

On prospects for inflation, the institute says that the rise in average earnings during the present wage round is expected to be only about 7 per cent, fractionally lower than the 7½ per cent in the previous round.

A rise in inflation is expected to be started by a faster growth of import prices, which might lead to a "mild price-wages spiral."

FORECASTS FOR UK ECONOMY
Annual percentage change
(figures in brackets from November forecast)

	1983	1984	1985
Output	2.2 (2.2)	2.2 (2.0)	1.4 (1.0)
Consumer spending	3.7 (3.4)	2.0 (0.3)	1.3 (0.9)
Exports	1.4 (0.4)	4.5 (4.0)	3.1 (5.0)
Imports	5.3 (4.6)	6.2 (4.1)	2.7 (2.6)
Retail prices (4 qtr)	5.1 (5.2)	6.8 (6.8)	7.8 (6.5)
Unemployment (adults in millions)	2.9 (2.9)	3.0 (3.1)	3.2 (3.3)
Current account balance (£bn)	2.0 (1.7)	1.4 (0.2)	2.2 (−0.4)
Public sector borrowing requirement (fiscal year £bn)	10.1 (8.9)	8.6 (10.1)	7.8 (10.2)

Industry investment starts to pick up

BY OUR ECONOMICS CORRESPONDENT

INVESTMENT by manufacturing industries dropped last year by 6.8 per cent. The figure includes assets leased from financial institutions, but total investment, taking in the construction, distribution and financial sectors is estimated to have risen by 2.8 per cent compared with 1982.

The figures, published by the Department of Trade and Industry, did show a rise in manufacturing investment of 4 per cent between the third and fourth quarters of last year, with a similar increase in the overall total.

This recent increase points towards the 7 per cent rise in manufacturing investment which the Confederation of British Industry, the employers' organisation, is predicting for this year on the basis of its most recent survey.

Separate official figures also out yesterday suggest that manufacturers started some modest rebuilding of stocks in the closing months of last year after a substantial run-down from the spring to late autumn.

Indications are that the manufacturing and distribution sectors reduced stocks by £360m last year compared with a cut of £1.1bn in 1982. In the final quarter of last year, however, the two sectors raised stocks by £270m.

INVESTMENT
(£bn at 1980 prices)

	Manufacturing (including leased assets)	Construction, distribution and financial
1979	8.2	8.7
1980	7.3	8.5
1981	5.8	8.5
1982	5.5	9.4
1983	5.1	10.1

Japan renews car curbs

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE JAPANESE motor industry has agreed to continue the voluntary restraints which have restricted its share of Britain's car and light commercial vehicle market at under 11 per cent.

The undertaking was given at the latest of the bi-annual talks between the UK Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association. The talks ended in London yesterday.

At the meeting, the UK industry forecast that car sales in Britain in 1984 will fall by over 2 per cent from 1.79m last year to 1.75m. This is slightly more optimistic than some company forecast, which have suggested registrations might be below 1.7m this year.

The UK society predicted that sales of light commercial vehicles (under 3.5 tonnes gross weight) will rise from last year's 214,000 to between 215,000 and 220,000 in 1984.

Judgment reserved in Lloyd's case

By Raymond Hughes, Law Courts Correspondent

JUDGMENT was reserved yesterday in the High Court case in which Lloyd's, the London insurance market, is seeking a ruling on the extent of its disciplinary powers under the 1982 Lloyd's Act.

Mr Justice Neill said he would give his decision in about a week's time. He had been asked by Lloyd's to give judgment as soon as possible because of the effect that the outcome of the case will have on disciplinary proceedings against Lloyd's members.

Lloyd's has asked the court to hold that the Act, and the by-laws made under it, empower it to take disciplinary action over offences committed before January 5, 1983 when Lloyd's set up its new disciplinary process.

The new system differs substantially – both in the scope and manner of investigations and in the penalties – from that which existed before.

TECHNOLOGY

EDITED BY ALAN CANE

U.K. WORKERS DEVELOP ISOLATION TECHNIQUES FOR ENZYMES

Hunt on for biological catalysts

BY IAN HAMILTON FAZEY

BIOCHEMISTS at Liverpool University have developed a new, faster technique for isolating, identifying and classifying the "tools" of genetic engineering.

The tools are restriction enzymes, or biological catalysts, which can snip out specific bits of genetic material from a DNA molecule, enabling other material to be inserted to promote processes such as cloning. They are obtained from bacteria and the new technique will enable Britain to operate a national screening system to find more of them from an ever-wider range of bugs.

The work of the Liverpool team, led by Dr Peter Dean, is

Half the output is exported

finding immediate applications in a local company, P & S Biochemicals. There Dr Eileen Metcalf is putting the enzymes straight into production, using other techniques the team has developed. Dr Dean is a director of the company, in which he has a 20 per cent stake.

The company now offers a range of more than 40 restriction enzymes worldwide to drug companies, genetic engineers, other research workers and university teachers. Three years ago, the company's range had only four items. Sales staff, all highly qualified scientists, are now up from six to 20. Half the output is exported.

The new technique has been developed using £70,000 from the Wolfson Foundation and a "co-operative" award of £30,000 from the Medical Research Council. Co-operative awards are for collaborative projects between academic institutions and industry.

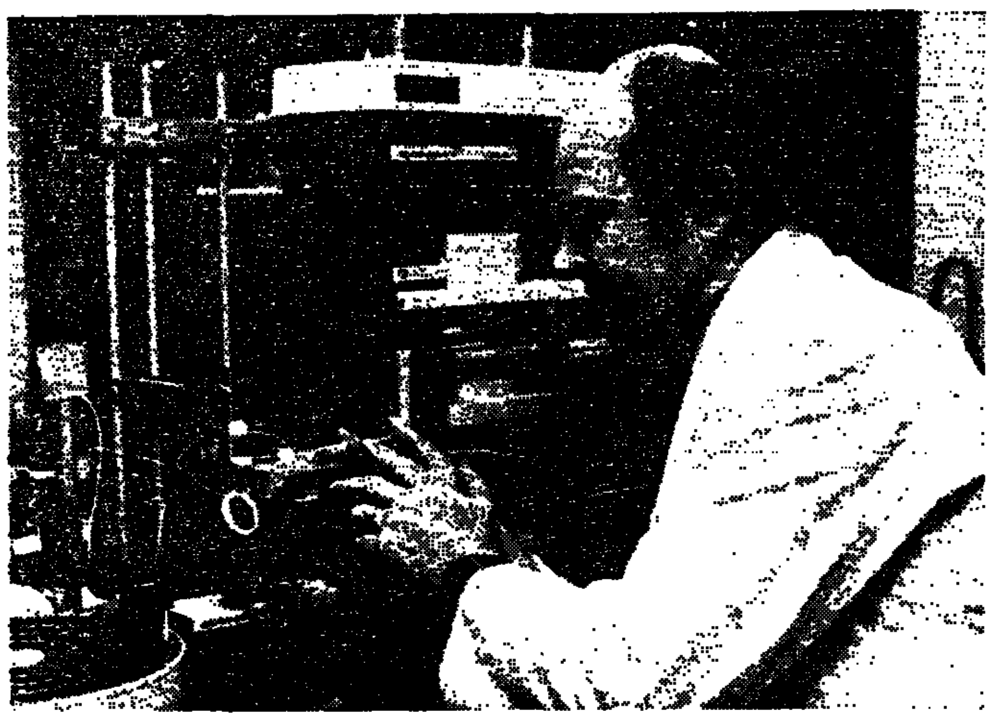
The money has funded employment of research staff and the purchase of a fast protein liquid chromatograph from Pharmacia, the Swedish drugs company. Normally, such machines are used as high performance ion exchange columns. The Liverpool team has adapted its machine for affinity chromatography — the field which Dr Dean pioneered as a means of obtaining pure enzymes for research.

Affinity chromatography works by putting chemical "bait" into a column of liquid, down which is poured whatever substance is to be analysed. If there is an affinity between the bait and particular constituents of the substance under analysis, those constituents are drawn to the bait like iron filings to a magnet.

The trick that Dr Dean and his team had already mastered was finding the right bait to isolate restriction enzymes from solutions of bacteria. In 1982, this led to the means by which an important enzyme called Aha III could be isolated in commercial quantities from a blue-green algae that flourishes in the Sinai desert. Aha III's importance is that it can recognise and snip out the pieces of genetic material that promote cloning.

What made the process laborious, however, was that it might take two days or more for the substance being analysed to travel down the column, with unstable or short-lived enzymes likely to be missed. Realistically, only three runs could be carried out per week.

The adapted Pharmacia machine pushes solutions down columns under four atmospheres' pressures. A controlling microprocessor spots any indications of unstable enzymes and highlights them. Most important, however, it takes only 15 minutes to deal with each solution.



Dr Peter Dean shows the fast protein liquid chromatograph used in the purification of enzymes for research

Dr Dean says: "People used to think there was no application for work I did. This machine does its job in 15 minutes now because of the 15 years I have put into this field."

The machine's speed has enabled Dr Dean to start setting up a national screening system whereby biochemists and biologists send likely cultures and samples for testing. The basis for this existed already but was hampered by the speed of testing.

A new enzyme, Rsr II, was discovered recently in sludge dredged from bed of the River Tamar. So far, scientists contributing material for the screen have been based in the universities of Aberystwyth, Lancaster, London, Cambridge and Bristol.

> "People used to think there was no application for the work I did."

"They are scraping bugs out of Windermere or off dead shrimps or getting them from culture collections," Dr Dean says.

If a new restriction enzyme is found, the scientist who discovered the bacteria which yielded it stands to get royalty payments. The enzymes sell for between 20p and £10 per unit, depending on rarity and demand. Since a unit is only one microlitre, commercial quantities need only be miniscule.

Dr Dean says: "Our only competition in supplying restriction enzymes on a large scale is in the U.S. and no one there can operate a screen as we can now. We are issuing a general invitation to microbiologists to co-operate with us so that we can find more new enzymes."

EQUIPMENT

Portable offices

THE LATEST keyboard/screen/processor product from Compucorp is described by the company as "The Portable Office." At a total weight of 25 lb for the three units, the description "transportable" is, the company agrees, a little more accurate.

Nevertheless, the nine inch screen housing (9 x 8 x 12.5 in) and the computer unit (12 x 8 x 10.5 in complete with double floppy drive), are certainly compact and easy to carry about. The keyboard on the other hand is in fully fledged professional form, with no attempt (wisely) at miniaturisation.

The whole thing packs into a bag and could certainly be taken home in the car with ease for work at night or over the weekend.

Compucorp has called the machine Omegamite and has designed it to be both a workstation on the company's local area network and a high performance standalone machine for word processing and personal computing.

Omegamite normally runs the CP/M operating system, giving access to a wide range of published software. But it is optionally available in 16 bit mode with MS/DOS, giving compatibility with the IBM personal computer and much of the software written to operate with it. But users can have both if desired, with 8/16 bit option and dual processing.

Apart from the existing Omega word-processing software, the machine can also run a new spreadsheet called Multicalc which, according to Compucorp consultant Winston Pate, has already saved "a well-known bank" about £25,000. The spreadsheet package costs £350.

The company has also introduced an office automation networking processor, the OA3200, based on the 68000 micro and able to work either as a network server or a time-sharing computer.

As a file server, the OA3200 can provide filing, mailing and printing facilities for up to 64 intelligent workstations from Compucorp's range. It is also possible for other wide or local area networks to be easily integrated — without application software changes.

In addition, the OA3200 can act as fast, multi-user, multitasking time-shared business computer with up to 32 terminals and peripherals connected via RS 232C ports. More on 01-907 0198.

Israel shows its expertise

THE TROUBLES that continually beset Israel have had one positive aspect in that it has encouraged the country to develop high technology skills in electronics, computing aerospace medical technology and biotechnology.

Towards the end of May, Israel intends to show off its technology to about 300 senior executives of foreign companies in the hope of attracting more investment and ventures in the country.

The conference with the somewhat long title: "Moving into the 21st Century Israel High Technology is being run in parallel with two exhibitions: one of information technology; the other, called Isratech, is a general technology exhibition in Tel Aviv.

Israel has about 30,000 scientists and engineers which is a very high percentage of the 4m population. Industry and academics are encouraged to work together as all the universities have adjacent science parks.

This had led to Israel becoming one of the leaders in medical technology with equipment such as surgical lasers, heart pacemakers, diagnostic scanning systems and has a strong industry in telecommunications.

Sanitation

Pigeons holed

IN MANY major cities, particularly in London, efforts to remove the pigeon pest is a losing battle. Apart from causing a health hazard, they deface buildings. Potions to rid cities of pigeons are only a temporary respite as the birds eventually return when effects wear off.

Now a company called Hughes & Hughes says that it has come up with a gel, aptly named Pestgo, which repel pigeons for a long length of time.

Pestgo is described as a multipurpose repellent and will also deal with cockroaches, beetles and ants. It is not washed away or affected by water and the company says that it can also be used as a waterproofing agent. More details on 01-720 95544.

Photography

Films

EASTMAN Kodak has introduced a family of contracting and duplicating films than can be handled in white light. The company says that results from the films are comparable with darkroom films.

The QCF and QDF films come in four different versions and do not need any special exposure arrangements or equipment.

NETWORKING

Flexible connections

NETWORK SYSTEMS of Minneapolis has formally announced its lower level (10 million bits per second, Mb/s,) local area networking system, Hyperbus, in the UK. It has also revealed that it is developing a very high capacity system (275 Mb/sec) called Datapipe, using optical fibre.

The company was one of the first to offer a system for the connection of mainframes and minicomputers of different makes at 50 Mb/s. That was called Hyperchannel and launched in 1977 in the U.S.

The announcement of the two new systems above and below this in capacity means that Network Systems will be able to connect a wide range of micro, mini and mainframe machines and associated peripherals, from many manufacturers.

Hyperbus is a multi-drop coaxial cable-based system which will link mixed vendor high speed terminals, personal computers, computer-aided design and manufacturing (CAD/CAM) and other high performance sub-systems.

Hyperbus is based on the International Standards Organisation (ISO) seven layer model which lays down how computers should be able to communicate with each other in future.

NS has tackled the problem with individual make "bus interface units" which are microprocessor-based and are connected between the computer or other device and the coaxial cable. To date, the company can cope with 16 manufacturers.

The interface units for RS232 applications are typical. Designated B100/200, these interconnect local and remote, asynchronous and synchronous RS232C terminal equipment and host communications ports via the Hyperbus. There are similar units (B300) to interface IBM 3270 terminals and controllers.

Richard Joyce, product manager in the UK, believes the 3270 application "will be of great interest to IBM users." Because the interface units appear as terminals to the terminal controllers and as controllers to the terminals, units can be placed as needed on the bus. High performance operation is achieved with the use of a single coaxial cable run. Joyce says that "many more" 3270 terminals can be added without performance degradation "and without creating a cabling nightmare."

Larger networks can be created by connecting several Hyperbus cables via special local link interface units.

Hyperbus has been on a U.S. General Electric test site since 1981 and has been continuously upgraded. There are now 35 users in the U.S.

The software that drives Hyperbus is called Netex (abbreviated from network executive). Netex enables any two application programs in any two separate computers to communicate with each other, irrespective of the particular host operating systems. It allows such applications as file transfer, job transfer, and transaction processing.

More in the UK on 0990 23399.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
24	25	26	27	28	29	1

Opera and Ballet

PARIS

Le Fantome de l'Opera, a three-act ballet, choreography by Roland Petit, music by Marcel Landowski, conducted by Marcel Landowski/Claud Schnitzler alternates with Verdi's Jerusalem in a new production by Jean-Marie Simon, conducted by Donato Renzetti with Veriano Luchetti in the role of Gaston, Alain Fondary as the Count of Toulouse and Cecile Gasdia as Helene. Paris Opera (742 5750).

Maurice Bejart and the XXth Century Ballet: Messe Pour Le Temps Futur, expressing the anxiety, hope and fascination of the future. Palais des Congres (266 2075).

Kodo: Japanese musician-athletes perform an ancient ritual of drum-beating which sounds at times as gentle as the whispering of reeds and at others as violent as the thunder in the mountains. Théâtre des Champs Elysées (723 4777).

Ballet Antonio Gades performs Carlos Saura's Carmen with Cristina Hoyos in the title role. Théâtre de Paris (280 0930).

Spectacle Commedia dell'Arte to music by Richard Strauss, Arnold Schoenberg, Edouard du Puy conducted by Michael Boder with choreography by George Balanchine, Glen Tetley and Ivo Crammer respectively at the Opera Comique – Salle Favart (296 0611).

LONDON

Royal Opera, Covent Garden: The new production of Andrea Chenier, good to look at and expertly planned, is disappointingly tame – passionately conducted by Richard Armstrong but undersung by José Carreras and Bernd Weikl. Rosalind Plowright's Madeleine de Coigny is at least on the right lines. Last performances of the Bohème revival. (240 1066).

English National Opera, Coliseum: The new Mastersingers is a curate's egg. The best side is the strong relationship developed between Gwynne Howell's Sachs and Alan Opie's Beckmesser, the least good Elijah Moshinsky's self-conscious handling of the popular scenes. The Barber of Seville returns with Ann Murray new to London as Rosina; further performances of John Cox's much admired production of Patience, with Derek Hammond-Stroud, Patricia O'Neill, and Anne Collins. (836 3161).

Royal Opera House, Covent Garden: The Royal Ballet introduces a new Kenneth MacMillan ballet with his Song Of The Earth, which will have Marcia Haydee and Richard Cragus as guests from Stuttgart. La Fille mal gardée on Thursday.

WEST GERMANY

Berlin, Deutsche Oper: Premiering this month is a Jean-Pierre Ponnelle production of Fidelio, controversially conducted by Daniel Barenboim. It has star tenor Peter Hofmann as Florestan and Catarina Ligendza as Leonora. Der Rosenkavalier is perfectly cast with Brigitte Fassbänder, famous for her rendition of Octavia, and Anna Tomowa-Sintow. Falstaff, a Gotz Friedrich production, has Alain Lombard making his debut as conductor. Salomé rounds off the week. (34 381).

ITALY

Milan: Teatro Alla Scala: Wagner's Tannhäuser conducted by Gustav Kuhn *(not Pretre, as announced at* beginning of season) with Rainer Goldberg, Wolfgang Brendel, Elisabeth Connell. (809 126).

Bologna: Teatro Comunale – Teatro Dellecelebrazione: Simon Boccanegra (222 999).

Venice: Gran Teatro La Fenice: Atmosphere of the Vienna of the Hapsburgs is brought to Venice by Il Pipistrello, by Johann Strauss, conducted by Peter Maag. A French/Italian production sponsored by Veuve-Cliquot (25 191).

Turin: Teatro Regis: Fidelio conducted by Milan Horvat (548 000).

Rome: Teatro dell'Opera: La Cenerentola *conducted by Gabriele Ferro* (461 755).

VIENNA

Staatsoper: La Cenerentola, conducted by Roberto Abbado, with Agnes Baltsa, Giuseppe Taddei; Verdi's Attila conducted by Charles Mackerras with Nicolai Ghiaurov, Piero Cappuccilli; Flying Dutchman, also conducted by Charles Mackerras, with an international cast including Gwyneth Jones, Donald McIntyre; Ludwig Minkus's ballet Don Quixote, conducted by Stefan Soltess with Ildiko Pongor and Gyula Harangozo. (53 240).

Volksoper: Die Fledermaus conducted by Rudolf Bibl (Mon), and the Merry Widow by Franz Lehar conducted by Frans Bauer-Theussl (Wed) (53 24-2657).

HOLLAND

The Netherlands Opera performs La Vie Parisienne by Offenbach in the Amsterdam Stadtschouwburg. Members of the National Ballet join the company in Puccini's Manon Lescaut.

NEW YORK

Metropolitan Opera (Opera House): The week includes the last seasonal performances of the new production of Rinaldo and Stravinsky with Natalia Makarova dancing the butterfly in Le Rossignol along with composers's Sacre de Printemps and Oedipus Rex, conducted by James Levine, with sets by David Hockney. Kiri Te Kanawa sings Arabella conducted by Marek Janowski; Tannhäuser with Leonie Rysanek is conducted by James Levine. Lincoln Center (580 9830).

Martha Graham Dance Company (NY State Theater): A three-week season includes the world premiere of The Rite of Spring and New York premiere of Phaedra's Dream to inaugurate a tribute year and new venue for the company. Lincoln Center (870 5570).

WASHINGTON

New York City Ballet (Opera House): A fortnight's visit covers the range of the ballet's repertoire, beginning with Serenade, Symphony in C and a local premiere of Glass Pieces. Kennedy Center (254 3770).

Theatre

LONDON

Master Class (Old Vic): Timothy West as Stalin confronting Shostakovich and Prokofiev with charges of degeneracy in their music. David Pownall's gripping new play is second into the beautifully refurbished Old Vic after the departure of Blondel to the Aldwych. (928 7616).

Little Shop of Horrors (Comedy): *Campy off-Broadway import which* is less good than The Rocky Horror Picture Show but which has a curious charm, a full-blown performance from Ellen Greene and an exotically expanding man-eating prickly plant. (930 2578).

Sufficient Carbohydrate (Albery): Transfer after a sold-out season at Hampstead for Dennis Potter's menopausal, over-symbolic but truculently written comedy on a gleaming white Greek island set. Dinsdale Landen superb, yet again, as a garrulous drunk. (836 3878).

Tales From Hollywood (Olivier): Nearly *the last chance to catch* Christopher Hampton's witty scenario for Austrian emigrés in Hollywood between the wars. Michael Gambon is the playwright von Horvath, Ian McDiarmid a vulpine, cynical Brecht. Large-scale epic play, funny and thought-provoking on the subject of the artist in exile. (928 2252).

Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than was either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Penelope Keith, in Hay Fever at the Queen's Theatre, London

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888)

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the *intimate* moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence *despite the forced effort to recreate* the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia, with a new-found attention to the heart that beats beneath the veneer, arrived on Broadway in a cast headed by Jeremy Irons and Glenn Close, directed at a fast clip by Mike Nichols. (239 6200).

CHICAGO

E. R. (Forum): *Moving into its second* year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

The School for Scandal (Folger): With Dawn Spare as Lady Teazle and Lilene Mansell as Lady Sneerwell, Sheridan's "delicacy of hint and mellowness of sneer" comes to give inspiration close to the nation's capital in a production directed by Allen R Belknap (546 4000).

Death of A Salesman (Eisenhower): A new production with Dustin Hoffman as Willy Loman starts a cross-country tour destined to end up on Broadway in the spring. Ends March 18. Kennedy Center (254 3670).

BRUSSELS

Sol: Marc Favreau – Canadian mime artist, Atelier Louvain la Neuve.

Music

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Patricia Wise soprano, Thomas Moser tenor, Simon Estes bass baritone, New York Choral Artists conducted by Joseph Flummerfelt. All-Haydn programme (Thur). Zubin Mehta conducting, Sol Greitzer violin. Stamitz, Schuller, Tchaikovsky (Thur). Lincoln Center (874 2424)

Carnegie Hall: Vienna Philharmonic, Leonard Bernstein conducting, Haydn, Beethoven (Wed); Mozart, Mahler (Thur). (247 7459).

Merkin Hall (Abraham Goodman House): Michael Cave piano and Delcina Stevenson soprano recital. All-Cave programme (Mon); Guild of Composers with the Mendelssohn Quartet and New Calliope Singers. All-Armin Loos programme (Tue); Ars Musica, Lyndon Lawless director. Mozart, Handel (Wed). 67th W of Broadway (362 8719).

Hakan Hagegard (Kaufmann Hall): Baritone recital. All-Schubert programme (Thur). 92nd St Y 1395 Lexington Av (427 4410).

WASHINGTON

Vienna Philharmonic (Concert Hall): Leonard Bernstein conducting. Mozart, Mahler (Mon): Kennedy Center (254 3776).

Kalichstein, Laredo Robinson Trio (Terrace): All-Brahms programme (Tue). Kennedy Center (254 9895).

CHICAGO

Orchestra Hall: Members of the Chicago Symphony, Henry Mazer conducting, Steven Graff piano. Brahms, Gershwin, Grofe (Mon mat.); P.D.Q. Bach, Prof Peter Schickele conducting, Schickele, Beethoven (Tue). (435 8122).

BRUSSELS

National Opera Symphony Orchestra conducted by Gian Franco Xasini with Monserrat Caballe, soprano, Matine Dupuy, mezzosoprano, Ernesto Palacio, tenor and Malcolm King, bass. Semiramide by Rossini (concert version). Palais des Beaux Arts (Tue).

Netherlands Chamber Music Ensemble with Abdel Rahman El-Bacha, piano, Spohr, Poulenc, Schubert. Palais des Beaux Arts. (Wed).

VIENNA

Lieder and Duets with Christa Ludwig and Walter Berry, piano Erik Werba. Schubert, Wolf, Mahler and Dvorak. Konzerthaus, Grosser Saal (Mon) (721 211).

Wiener Symphoniker conducted by Hans Vonk, with Christian Altenburger, violin. Hindemith and Bruchner. Konzerthaus, Grosser Saal (Thur) (721 211).

ZURICH

Tonhalle: Chamber music soiree. Haydn (Mon); Tonhalle Orchestra conducted by Christoph Eschenbach with Justus Frantz, piano. Brahms and Bartok. (Tue, Wed and Thur).

PARIS

Ensemble Orchestral de Paris conducted by Michel Plasson, Augustin Dumay, violin: Roussel, Saint-Saens, Bizet (Tue). Salle Gaveau (563 2030).

Nouvel Orchestre Philharmonique conducted by Jacques Mercier, Radio France Choir: Offenbach's Bricands (Tue). Radio France, Grand Auditorium (524 1516).

Julian Bream, guitar: Bach, Villa-Lobos (Tue). Salle Pleyel (561 0630).

Pinchas Zukerman, violin, Marc Neikrug, piano (Wed, Thur). Salle Gaveau (563 2030).

Orchestre de Paris conducted by Daniel Barenboim, Rudolf Serkin, piano: Beethoven, Bruckner (Wed, Thur). Salle Pleyel (561 0630).

LONDON

Endellion String Quartet: Haydn, Britten and Beethoven. *Purcell Room* (Mon). (928 3191).

Pinchas Zukerman, violin with Marc Neikrug, piano. Franck, Bach, Tchaikovsky and others. Royal Festival Hall (Tue). (928 3191).

Spectrum. Arditti String Quartet with Claude Helffer, piano, conducted by Guy Protheroe. Xenakis and Jonathan Harvey. Queen Elizabeth Hall (Tue). (928 3191).

London Symphony Orchestra and Chorus conducted by Richard Hickox with Heather Harper and Eiddwen Harrhy, sopranos and David Wilson-Johnson. Delius and Berkeley. *Barbican Hall (Tue).* (638 8891).

Richard Rodney Bennett and Friends with the English Chamber Orchestra conducted by Marcus Dods. Barbican Hall (Wed).

Exhibitions

WEST GERMANY

Tübingen, Kunsthalle: *Edgar Degas.* The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 300 drawings, pastels and oil sketches document all periods of the French impressionist's œuvre. Ends March 25.

Bielefeld, Kunsthalle, 5A, Ladebockstrasse: A Picasso exhibition focusing on the artist's depiction of death. Ends April 1.

Brunswick, Herzog Anton Ulrich Museum, 1 Museumstrasse: "First-hand painting" has more than 80 sketches in oil, dating from the 16th to the 18th century by roughly 50 European artists, among them Rembrandt, Rubens, Tintoretto and Boucher. These initial studies sketched with crayon or coal up to the end of the 15th century, were carefully hidden from the public but have been discovered and recognised as an especially attractive art form. Ends April 1.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam, to March 31. Bogart, born in Delft but a long-time resident of Belgium, is an Expressionist who has recently discovered to the joys of updated pointillism.

Rembrandt: The artist's home and etchings each Sunday at 2pm until the end of April. The Rembrandt House and Museum is at Jodenbree Straat 4-6, Amsterdam.

BRUSSELS

Músée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings. Until April.

Palais des Beaux Arts: Paintings by Karel Appel and Roger Mallens. Until *March 4.*

ITALY

Milan: Palazzo Della Permanente: Oskar Kokoschka (1906-1924) drawings and watercolours. Ends March 11.

Venice: *Museo Correr:* Until a year ago, there was not a single painting by this Venetian master to be seen in the city (there were in fact two – but in private collections). The local *council has now acquired two large* and splendid paintings with interesting documentation concerning their restoration.

Florence, Pitti Palace: Raphael paintings and drawings. The exhibition has drawn such huge crowds that the opening hours have been extended – something almost unheard of in Italy. Now open from 9am until 7pm (closed Monday).

Florence: Casa di Buonarroti – via Ghibellina Raphael and Michelangelo – open until the end of April from 9am until noon (closed Tuesdays).

Rome: Borghese Gallery – Villa Borghese – the paintings of Raphael which form part of the Borghese collection – until Feb. 29.

LONDON

Royal Academy: The Genius of Venice – we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us exclusively to the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (although the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11.

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and Flemish 15th and 16th century art. 21, Quai Voltaire. Closed Sun. Ends March 17 (261 3879).

Enfants du Passé: Toys from the 17th century to the beginning of the 20th. Miniature silver tea-sets, small musical instruments, furniture fashioned by master craftsmen, Napoleon's son's rattle. All exude the special charm *associated* with childhood. Le Louvre des Antiquaires, 2 Place Palais Royal, 11 am–7 pm. Closed Mon. Ends March 18 (297 2700).

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Metropolitan: Rembrandt, Vermeer, Hals, van Ruisdael and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in The Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

WASHINGTON

Leonardo's Last Supper (National Gallery): Although the refectory of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best *thing in combining* preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4.

CHICAGO

Museum of Contemporary Art: With the assertion: "The arts in West Germany today are dynamic and strong, and constitute one of the most important sources for contemporary art *trends in Europe and America,"* this recent Chicago institution is putting on three German shows, of artists Rebecca Horn, Dieter Roth and 100 works of five neo-Expressionists. Ends April 1.

Cinema/John Pym

Cold comfort from the past

The Big Chill, directed by Lawrence Kasdan
Rumble Fish, directed by Francis Ford Coppola
To Be Or Not To Be, directed by Alan Johnson
Almonds and Raisins, directed by Russ Karel

Matt Dillon and Diane Lane in 'Rumble Fish'

A small circle of friends, college students at Ann Arbor, Michigan, during the turbulent sixties, forgather 15-odd years on at the southern mansion of two of their number, for the funeral of a third, a suicide who left no note, a brilliant physicist who turned his back on the success which seems at one time to have smiled on them all. Having made his mark in Hollywood as a co-writer of blockbusters, Lawrence Kasdan has turned to another formula for *The Big Chill,* his second feature as director, a personal stocktaking (one would guess) *of the meaning* of security, the significance of the old days.

The picture is peopled with types—the impotent Vietnam veteran; the TV star embarrassed by his ludicrous image; the shoe salesman, a mini-tycoon, and his doctor wife (the hosts); the erstwhile radical journalist; the unattached woman lawyer determined to become pregnant—and the *musical* beds they eventually play over the timeless weekend they are reluctant to see end is more than a little schematic for all the film's upfront naturalism.

Nevertheless, Kasdan has first-hand experience of winning populist formulae, and while *The Big Chill* lacks the sheer wallop of, say, his *Raiders of the Lost Ark,* it is pitched much higher than the small inward-looking *Return of the Secaucus Seven,* with whose subject it has much in common. It aims at being a big little picture, along the lines of *Kramer vs Kramer* or *Ordinary People.* And it succeeds thanks largely to the players—Tom Berenger, Glenn Close, Jeff Goldblum, William Hurt, Kevin Kline, Mary Kay Place, Meg Tilly and JoBeth Williams—all of whom have the confidence of stars without, as yet at least, being burdened, like Berenger's TV cop, J. T. Lancer, with the public's expectations.

Nostalgia, for all the idyllic surroundings, is for much of the time held in check. There's confession aplenty, and the required sprinkling of sharp banter concealing the unease of friendships to long neglected. But the mixture is on the whole finely balanced. Nothing much occurs, the absent friend is never more than a drawing-together device, except that at the end, after a small but significant rearrangement of priorities, the characters have emerged from their typecast shells and we are more than halfway to caring about them.

*

Kasdan and his co-writer Barbara Benedek regard their characters with an urbane half-smile. Francis Coppola's method, on the other hand, in *Rumble Fish,* the "adult" picture he made back to back with *The Outsiders* (both from novels by S. E. Hinton), is to match the tortured adolescent uncertainties of his seething, anonymous metropolis with a dynamic, risk-taking style which confirms him as the most inventive of mainstream American film-makers.

The film's keynote is borrowed from the American adolescent melodramas of the 1950s. Rusty-James (Matt Dillon, in his third S. E. Hinton adaptation) is the archetypal rebel without a cause in this black-and-white city where time will not stand still, literally so in several sequences which make poetic use of time-lapse photography. The gangs have had their day, his girl doesn't admire a fighter, but he seems doomed to go down in a rumble until in a bravura gundown *his* older, wiser brother, with a damaged monochrome view of the world, deliberately buys the kid his freedom with his own death.

The heavily symbolic plot is not really the point of the picture, and it remains in essence a simple cautionary tale for young adults, though Coppola does overlay it with some mumbled philosophising. Appropriately for a story of futuristic "poseurs," style is the film's reason. It draws heavily on a Wellesian camera style, as well as on the look of the German Expressionist school.

The film has a fevered, *doomed intensity and makes* exemplary, surprising use of smoke, dark streaming alleys, iron fire escapes and several desolate Oklahoma locations. But it is in its feel for movement within the frame, of the interplay of a group of youths in a soda shop billard parlour, walking through a crowded street or, most impressively, fighting each other which marks *Rumble Fish* as the work of a master film-maker (if not on this occasion a master storyteller). Few films these days shorten one's breath and quicken one's pulse with such ease as this one.

Coppola's career has been distinguished by its variety and its fearless risk-taking: Mel Brooks, however, has made a virtue of repeating himself: part of the point of the jokes is that they are the same old jokes—they don't somehow wear thin in the retelling. He chiefly rings the change by finding different directors, different sorts of films to parody. His latest victim is Ernst Lubitsch's black wartime comedy about an insufferably egotistical Warsaw actor-manager who fancies himself as Hamlet. Come the Nazi occupation he is forced against his better judgment to "act" to save himself, his company, his wifes beloved and, incidentally, a huddle of Jews and homosexuals cowering backstage. His actions do not, however, bring with them self-knowledge: and he ends as blindly egotistical as he began.

The remake lacks the topical urgency of the original, which came out when the fate of the Nazis was by no means settled, but it does have a sort of modern outrageous shock value *which—were it not for the* undercutting effect of the real-life Brooks's relentless self-puffery—carries the picture with notable success. Brooks, who takes the lead with his wife Anne Bancroft playing a knowing and appropriately weary second fiddle, likes nothing better, as a Jewish comedian, to do Nazis; and the plot which remains faithful to the pared, farcical original gives him full rein.

Mel Brooks is very much for Mel Brooks lovers, and if you don't like him by now there is not much point in persevering. He is, in my opinion, at his best when parodying performers: recall his stand-up comedian in *History of the World,* his night-club entertainer in *High Anxiety,* the duplicitous producer (an actor if ever there was one) in his masterpiece *The Producers.* Here he is marvellous on stage the "Bronski Follies of 1939," opening the film with a Polish rendition of "Sweet Georgia Brown" which *true believers will find* as cherishable as Peter Boyle's "Putting on Ritz." in *Young Frankenstein.* Brooks customarily directs himself, but this time Alan Johnson, his longtime choreographer, has been placed in charge: the result is wholly beneficial, with the added bonus that a classic farce plot prevents Brooks from excessive self-indulgence and a tendency to fly off at the corners.

Before American Jewish humour became American Jewish humour, there was the American Yiddish cinema: some 300 films made, according to the intriguing informative but diffuse documentary *Almonds and Raisins, between the coming* of the talkies and the beginning of the Second World War. The film, which is receiving its cinematic window from Channel 4, is full of interest, even if many of the Yiddish pictures themselves seem to speak of a culture, that of the East European shtetl, which had indeed had its day and must shortly mutate to survive.

One of the film's witnesses describes her feelings when she saw again on film some of her former colleagues, the Yiddish players from Warsaw in the pre-war days: her pleasure is of course mixed with grief—a reminder that *To Be or Not to Be's* "Concentration Camp" Erhardt was not always a figure of mockery.

Nine operas for Scottish season

Scottish Opera will be putting on nine works in the 1984-85 season, including *Orion* (Cavalli), *Capriccio* (Strauss), *Il Barbiere di Siviglia* (Rossini), *Don Giovanni* (Mozart), *Orlando* (Handel), and *Hedda Gabler* (Edward Harper) and three revivals: *Fidelio* (Beethoven), *Rigoletto* (Verdi) and *The Bartered Bride* (Smetana).

The Opera will tour with full-scale productions to Aberdeen, Edinburgh, Leeds, Liverpool and Newcastle; a visit to Belfast is also planned. Each opera will be given five performances at the Theatre Royal, Glasgow.

A medium-scale tour of two Rossini one-act operas, *The Silken Ladder* and *The Marriage Contract,* will visit Perth, Ayr and Dunfermline for one performance in each town, and Stirling, Dundee and Inverness for two performances.

Dreamtiger/Purcell Room

Dominic Gill

Douglas Young's ensemble Dreamtiger this month celebrated the 80th anniversary of the birth of the Italian composer Luigi Dallapiccola (1904-1975) with two recitals featuring some of his lesser known chamber works. Anyone who knew the man and the teacher could not fail to respond to his immense personal warmth, cultivation and charm; but the view of the music is not one I am able to share, finding as I do virtually all that I have heard (including many of the acknowledged "masterpieces") decent but unexceptional—serious and well-crafted, but rarely seizing the imagination and the heart, rarely inspiring.

Dreamtiger's second recital on Wednesday once more confirmed my prejudices. Both the *Ciaccona, Intermezzo e Adagio* for solo cello and the song-setting *Rencevals* date from just after the last war. The first is dark, austere and inward almost to vanishing point; the second, stronger and evidently deeply felt, draws little memorable from an intensely dramatic text from the *Chant de Roland.* The later (1948) *Quattro liriche* are lighter and more delicate, but also exceptionally slight, responses to Antonio Machado. The solo soprano, earnest but rather coarse in her delivery, was Margaret Field. Rohan de Saram gave the solo cello piece with marvellous concentration and grace.

De Saram's playing elsewhere was the evening's delight. His full, richly vibrant tone and the Purcell Room are not ideally suited: but his performance accompanied by Douglas Young of Debussy's cello sonata was a paragon of musicianship, broad and warm, subtly detailed, alive with colour. A brilliant account of his own transcription of Luciano Berio's viola *Sequenza VI* almost persuaded—marginally less effective than the original version perhaps because Berio's frenetic bariolage makes the viola sound like another instrument entirely, whereas the cello only sounds here like itself.

Snow Report

EUROPE

Andermatt (Sw)	170–270 cm	Good skiing everywhere
Flaine (Fr)	200–360 cm	New snow on hard base
Grindelwald (Sw)	40–150 cm	Skiing remains excellent
Gstaad (Sw)	70–180 cm	Excellent skiing everywhere
Isola (Fr)	120–140 cm	Recent heavy snow falls
Kitzbühel (A)	70–220 cm	New snow on good base

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	24–76 ins	Loose and packerd powder
Hunter (N.Y.)	16–76 ins	Packed powder

Figures indicate snow depths at top and bottom stations.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9% £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

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Friday February 24 1984

The threat to Hormuz

IRAN would be damaged more than any other country if it ever attempted to carry out its often repeated threat to close the Strait of Hormuz to international shipping. That must remain the single best reason for hoping that the upsurge of fighting in the Gulf war will not lead to a broadening of the conflict which could draw in the *U.S. and the Soviet Union.*

For the past three-and-a-half years the shocking loss of life and material damage caused by the war has been a cause of concern, but not great alarm, among the international community. Stalemate on the battlefield was widely considered preferable to either country winning the war or losing it. Given the apparent impossi*bility of reconciling two bitterly* opposed regimes in Baghdad and Tehran, the best that could be anticipated was a gradual diminution in the scale of the fighting and political developments in either capital (but preferably in Iran), which might make peace talks possible.

The parallel risk has always been that either side could feel so threatened by domestic or international events, that it would use the ultimate weapon it possesses—which is always flaunted whenever there is renewed fighting. In Iraq's case this is its stated willingness to attack Iran's oil export facilities and thereby deny Iran its principal source of revenue.

Risks

Iran always responds to the threat by declaring its determination to close the Strait of Hormuz, thereby denying the rest of the world of nearly a fifth of its crude oil supplies and shutting the oil terminals and ports of Arab countries in the Gulf, all of which have been providing substantial financial aid to Iraq.

Despite the terrible casualties *suffered by both countries, the* fact that neither has acted on its threats underlines their lack of confidence in being able to carry them out and to control the possible consequences. But as last desperate throws by imperilled regimes, the risks should not be discounted.

Fortunately for the industrialised countries, the attempted closure of the Strait of Hormuz would *today* be far less of an economic blow than in the first half of the 1970s. Demand for oil is still weak, stocks are healthy and there are several countries, notably Nigeria which would happily increase production. There would be no *economic* requirement for immediate military action to ensure freedom of navigation through the Strait of Hormuz.

Equally, of course, there should be no question under international law of Iran being permitted to deny others the right to use the Strait. President Reagan has several times stated that the U.S. will guaran*tee that the strait remains open* and the Seventh Fleet is near enough to Hormuz to provide military credibility for the pledge.

Hasty action

Yet the U.S. and its western allies need to be clear about the objectives of any military action, to have studied the range of possible consequences, and to listen carefully to their Arab friends in the Gulf who earlier this week warned of the dangers of superpower intervention.

This is all the more necessary following the military and political setback suffered by the U.S. in Lebanon. Hasty, ill-prepared action could compound the Lebanon failure, rather than re-build America's image in the Middle East, however tempting it may be for the Administration to punish the regime responsible for the 1980 hostages crisis.

Should the worst happen in the Gulf, the U.S. can allow itself time to attempt to construct the broadest degree of international support for future action and possible military participation by other nations. It should also ensure that the new Soviet leadership is fully informed. Tehran and Moscow are barely on speaking terms, but new alliances can grow swiftly from crisis situations.

The Soviet Union should be persuaded that western interests are specifically limited to the Strait of Hormuz itself and no military action would be taken *against Iran unless it physically* sought to prevent ships using the waterway. What the Arab states in the Gulf fear most is the U.S. alone being drawn into direct military conflict with Iran and the manner in which this could be exploited for propaganda purposes in the region.

Above all, western countries should not lose sight of the fact that the closure of the strait would amount to a blockade of Iran and it would not be many weeks before the pips began to squeak in Tehran. There has to be a readiness to use military force to keep the strait open, but as a final, not a first resort.

Tax avoidance and the law

THERE IS LITTLE doubt that the House of Lords' decision in Furniss (H. M. Inspector of Taxes) *against various members* of the Dawson family will go down as a milestone in the history of English tax law, although it is uncertain whether it will be remembered more for reinforcing the principle of honesty in tax matters or for creating confusion in their administration.

Those who live in ignorance of the intricacies of English tax law may *be surprised that* the principle of good faith, and the rule that only transactions which have a real business purpose will impress the taxman are not of general application in the UK as they are in most other advanced countries. The UK started on its separate path in 1936 by the House of Lords' decision in the *Duke of Westminster* with the ruling that everyone is entitled to order *his* affairs so as to pay the least tax under the appropriate legislation. At about the same time the Federal Supreme Court of the U.S. confirmed the same principle in *Helvering v Gregory*, but with the condition that such arrangement of affairs must have a real business purpose and must not be "a mere device."

Uncertainty

The omission of this condition, defining the manner in which the taxpayer may legitimately arrange his affairs, led to the growth of a tax avoidance industry. By 1979 it became uncomfortably big. Starting with the *Rossminster* case, the House of Lords began a process of cutting it down to size. The decision in Dawson can be seen as a culmination of this process; it has now reinstated in English tax law the condition of real business purpose, omitted from the *Duke of Westminster* ruling. Lord Roskill expressed the hope that the *Dawson* decision would be sufficient to exorcise the ghost of the *Duke of Westminster*. In so far as this means more *honesty* and *realism* in tax affairs, the decision must be welcome: the tax burden which those using artificial schemes can avoid must necessarily be borne by the rest of us.

There is, however, another side to the coin. The tax bar is up in arms because of the uncer*tainty which this decision has* increased by its vagueness. Purposive interpretation of law, stressing the intention of Parliament rather than the letter of the statute, is still a foreigner in English courts, and the Law Lords provided no guidance on the determination of the frontier between a fictitious device and real business. Lord Scarman said that the limits within *which the new principle was* to operate remained to be probed and to be determined by the courts. This will be of little help to managements who cannot wait for years to learn about the effects of their decisions. By contrast, Lord Brightman said that it was for the Commissioners to determine whether a composite transaction contained steps inserted without any business purpose.

So it is not clear who will determine the impact of the judgment: will it hit international loans arranged through the intermediary of a country with which there is a double taxation treaty to avoid withholding tax on interest? Will it prevent, as some fear, offsetting capital gains and losses within a group of companies, a procedure which has so far not been objected to by the Inland Revenue? The sale and repurchase of shares on the "bed and breakfast" basis has become vulnerable, but how does one prove that a repurchase of shares has been dictated by business reasons?

This vagueness, combined with the delay and cost connected with going to courts, is bound to increase enormously the discretion of the Inland Revenue. Practice notes and prior clearances will replace Acts of Parliament. None of the Law Lords is a tax specialist. The only hope is that both Mrs Thatcher, the Prime Minister, and Mr Peter Rees, the Chief Secretary to the Treasury, as *former tax lawyers*, will have some understanding for the need to establish some certainty, possibly by short legislation requiring Inland Revenue guidelines to be laid before Parliament.

THE LORRY DRIVERS' STRIKE

Why France's arteries are clogged

By David Marsh in Paris

SIEGE warfare has broken out this week in France. Protesting lorry drivers seem to have been following the old military maxim that control of the roads means control of the country.

The sight of police, riot troops and soldiers with heavy lifting equipment powerless, for the most part, to clear the roads, has cruelly underlined the *limits to government authority* —at a time when it is needed more than ever to push through France's dour economic recovery programme.

And the blockades, sparked off on the Franco-Italian border by customs officers' long delays in providing transit clearance (for lorries from many countries, not just from France) have *exposed* the impediments to free movement of goods and people within the EEC.

Symbolically, the conflict dogged the footsteps of President Francois Mitterrand as he pursued an exhausting tour in search of European unity ahead of next month's EEC summit. In Dublin this week to see the Irish government, M Mitterrand had to change his itinerary to avoid blockades by Irish truckers out to show sympathy with their French colleagues. By Wednesday the lorry holdups had spread to border areas in Germany and Austria as well.

Emphasising the European scale of the problem, the Dutch Government has called on France (which currently holds the EEC presidency) to stage a *Community* meeting of *Transport* Ministers on Monday to discuss the wider consequences of the French jams. And Britain is pressing France to pay compensation for UK drivers caught in the hold-ups.

The dispute has its roots in lorry drivers' grievances going back several years over customs hold-ups in Franco-Italian Alpine tunnels. It broke out at the end last week when road hauliers, furious over customs officials working to rule on both sides of the border, blocked access to resorts in the French Alps just at the moment when an estimated 1m would-be skiers were seeking the slopes during the winter holiday break.

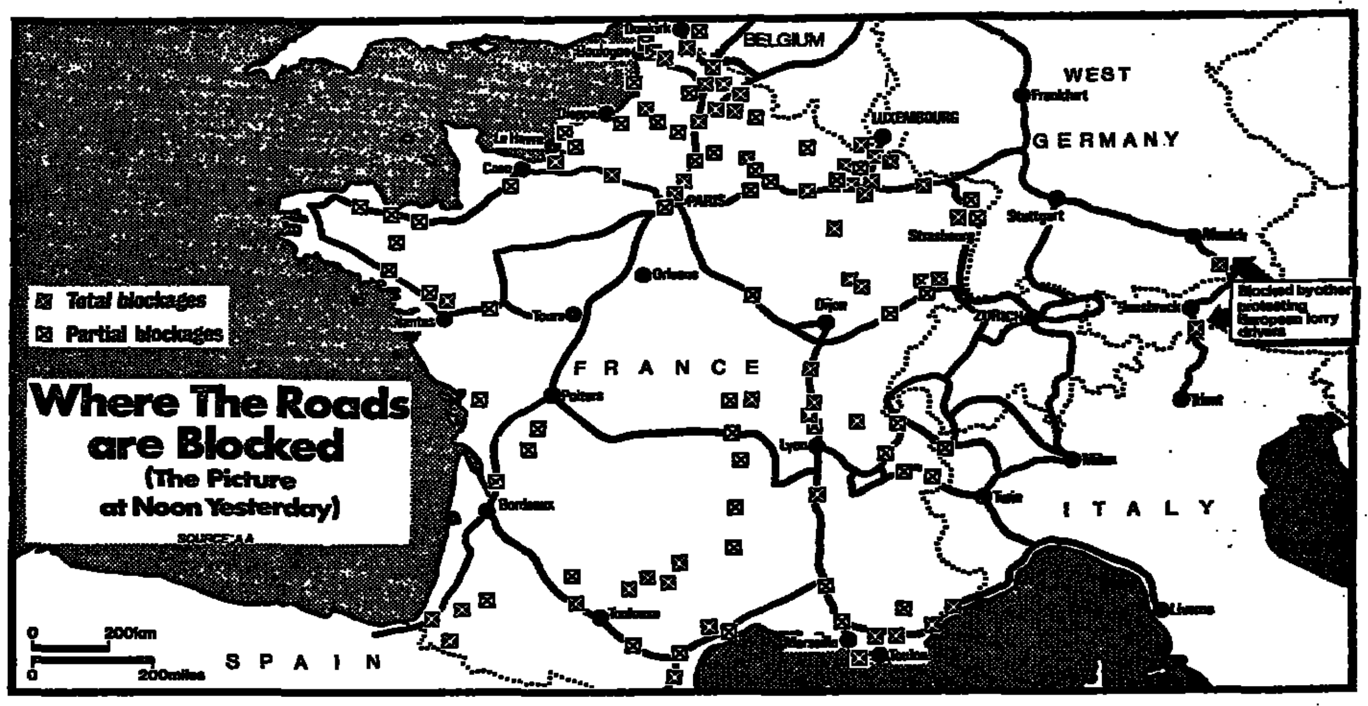
And since then, the barricades have spread through the country like flames rushing through a burning house and the truckers' demands have widened. They now include not only measures to speed up frontier crossings (where the Government's possibilities are limited as most of the trouble is caused by the Italian customs dispute), but also further action to meet general economic grievances of the haulage trade.

Transport Minister has lost credibility

So far, however, considering the scale of disruption and the short fuses attached to many *French tempers, ugly incidents* have been surprisingly few.

Motorists stranded in Alpine regions have smashed truckers' windows and, on at least one occasion, tried to ram their way free by driving pell-mell into a knot of drivers. One irate car owner fired his hunting rifle at blockading drivers near Le Bourget north of Paris early on Wednesday morning, wounding a Dutch trucker.

Despite the odd clash, however, the image of the French taking the disruptions in their stride with a mixture of phlegm and resourcefulness has been reinforced by an opinion poll *indicating that a majority of* people-in-the-street actually support the lorry drivers' protests. Presumably however motorists stranded on Alpine roads were not asked for their opinion.



But M Charles Fiterman, the Communist Transport Minister, has certainly himself lost credibility—and added to the lorry drivers' sense of practically unlimited power—by at first refusing peace talks unless all blockades were moved and then being forced to negotiate on Tuesday with traffic paralysed for the first time around Paris itself.

All this may have served to strengthen the international cliché of French egocentricity. But disputes of this kind are hardly new. The, admittedly minor, affair of the farmers' hijacking British meat lorries in Normandy in January showed the limits to police control of the roads. And, paradoxically, while inciting their members to defy the Government the truckers' leaders still express an almost schizophrenic respect for the central organs of the state, shown by the solemn appeals in recent days for direct *intervention by M Mitterrand* or M Pierre Mauroy, the Prime Minister.

For the moment, Ministers are doing no more than any government can do in the face of overwhelming odds—*appealing for goodwill and to a sense* of national interest. There are clear hopes that, if the Government holds firm and keeps cool, the truckers will be forced to withdraw by a combination of boredom, cold and the all-important threat of money running out, even (for small haulage companies whose lorries are jammed) bankruptcy.

The peculiarities of the road haulage trade, however, introduce complicating factors.

Rather like the customs agents with whom they habitually tangle (although for different reasons), truckers with their nomadic lives, long hours and scant job security consider themselves a race apart from the rest of the population.

The leaders of France's two truckers' confederations, M Maurice Voiron of the 23,000-strong FNTR, and M Jean Devay of the 8,000-member UNOSTRA, have both had difficulties controlling their rank and file. Rivalry between the two groups—and also the presence of many non-affiliated and foreign drivers in the lorry queues—have confused efforts to find acceptable *negotiating solutions.*

For instance, Tuesday's Government proposals to clear traffic hindrances in the Alpine regions were accepted by independent truckers who started to lift Alpine barricades yesterday. *But the olive branch* was rejected by the two confederations. They called for immediate talks on other demands—for easier restrictions on working hours, improved VAT deductions on fuel purchases and higher increases in authorised tariffs.

The working hours issue is particularly contentious. At the moment the maximum is 55 in one week *(provided drivers* stick to an average of 50 per week over 12 weeks). This, together with long waiting periods on European borders, limits the drivers' ability to plan their trips to fit in with family lives, and adds, they claim, to the "unsocial" nature of the profession.

However, the Goverment is sticking to the line that it will discuss this extra subject only next Thursday when, with luck, emotions will have cooled.

M Voiron and M Devay, who head family businesses with around 100 and 20 employees respectively, are big fish compared with most hauliers. Out of the roughly 30,000 companies (with 180,000 drivers and 80,000 office staff) which form the independ*ent part of the French haulage* industry (that is, not part of large industrial or commercial groups), large firms with more than 100 employees make up just 0.7 per cent of the total—small businesses with less than *six, on the other hand*, make up 70 per cent.

Fragmentation not only makes negotiating difficult but also lends idealogical flavour to the debate with M Fiterman. The Transport Ministry says that since the Government came to power, it has already met some of the hauliers' demands, for instance, by allowing 30 per cent of VAT to be deducted on fuel (planned to rise to 50 per cent in 1986) and by increasing tariffs in line with inflation.

Free enterprise-pleading haulage *patrons*, however, claim that M Fiterman has favoured the railways (into which his Ministry is injecting no less than FFr 32bn this year, the lion's share to subsidise early retirement by railworkers) for freight transport, adding to the squeeze already caused by the recession. And they complain that government social measures have added to companies' costs and precipitated bankruptcies.

On the political front the road dispute has shown that the presence of Communist ministers in the government can actually complicate the search for solutions when they are *called on to negotiate* emotive social disputes (as also happened with the medical students last spring and the Talbot car workers before Christmas).

A prolonged dispute could seriously damage the economy. *Warning lights have already* been flashing with motor industry lay-offs caused by shortages of road-delivered car components.

Agricultural trade has been disrupted, port activity slowed and hints dropped of potential difficulties in retail distribution.

Already, there are signs that the truckers' action is raising the temperature of labour relations generally. Coalminers protesting at layoff plans, whose two-day strike in the provinces on Monday and Tuesday was eclipsed in news terms by the road hauliers' spectacular, have decided to march on Paris next week to bring home their grievances directly before the portals of government.

But there has been a positive side as well. Private motorists and truckers held up in the Alps, the blocked and the blockading (and sometimes, among the queues of lorries, the distinction has been difficult to make), have been treated to traditional mountain hospitality.

Local communities have opened up *public buildings* (and sometimes even private homes) for sleeping accommodation and laid on meals. Police and officials have been making sure that the several thousand drivers from many countries held up around the Frejus and Mont Blanc tunnels (some have been stuck for 10 days) have enough money to buy fuel to keep motors turning for *warmth at night when the* temperature can slip to minus 15 degrees C.

In another example of somewhat surrealistic solidarity, drivers holding up traffic near Strasbourg this week handed out oranges from their cargoes to patiently waiting motorists. Elsewhere, motorists have been making ingenious detours to get round the blockades — or else have simply stayed at home.

If the dispute fizzles out as quickly as it begun, it may leave no significant lasting mark. Some small signs of encouragement came yesterday. In spite of continuing blockades in many parts of the country, barrages began to be lifted in the Alpine Maurienne valley, one of the first places to be blocked last week.

This was in response to the Government's peace plan drawn up on Tuesday which, apart from measures to speed up customs clearance on the French side of the Italian border, also proposed compensation terms for drivers held up by border post delays.

The next test will come this weekend

And the Government stressed that, with many truckers now simply slowing down traffic rather than stopping it altogether vehicles were moving — albeit slowly — in most parts.

The next test of the Government's negotiating position will come, however, this weekend as thousands of motorists, with the holiday break behind them, head for home on icy French motorways. If the blockades by then have been eased, there will be few of the normal complaints that juggernauts drive too fast.

On the other hand, if the blockades remain in place, it could be a hot weekend in the cold.

Additional reporting by Hazel Duffy.

Men and Matters

Mrs Thatcher's old films

When Mrs Thatcher opens Warwick University's new science park today, she will have a chance to catch up on her scientific past. One of the park's first tenants, NIMA Technology, sells equipment to manufacture materials that the Prime Minister worked on as a research chemist more than 30 years ago.

The materials are Langmuir-Blodgett films—not the outpourings of an obscure Australian movie director but chemical layers a molecule thick which can influence the properties of electronic circuits. As a youthful chemist, Mrs T wrote a paper on these films which is well thought of in scientific circles today.

So during her visit to the park —*which still resembles a building* site, according to one tenant —Dr Frank Grunfield and his wife, Carolyn, are hoping the PM will drop by.

The Grunfields are the sole employees of NIMA, which they started last August. So far they have sold two items of hardware at £10,000 each.

Grunfield has something to say on the difficulties of starting scientific companies, an area in which Mrs T professes an interest. He made three applications to financial institutions for the £50,000 needed to start his venture—but he was turned down each time.

The budding entrepreneur had to go ahead with a £15,000 overdraft plus a second mortgage on his house.

Social register

Eighteenth century parish registers were just as keen on publishing "human interest" stories as any of today's "pop" newspapers.

An Essex University researcher came across this one *in Yorkshire, dated June 1, 1787.*

"Anecdote—When the Rev John Clark, late master of Charter-House in Hull, was curate at St Trinity there, four couples were married by him at the same time, and the following odd circumstances attended each, viz.

"With regard to the first couple, the bridegroom had forgot to bring a ring, in consequence of which he was obliged to borrow one—the bride of the second had lost that finger upon which the ring is commonly put.

"— a man shaking the iron gates leading into the choir, said aloud that the third bride already had a husband and; *with regard the fourth, one of* the bride's maids begged the parson, for God's sake to be quick, as the bride was in labour."

High tide

The Royal opening of the Thames Barrier in May will provide nationwide publicity for Ken Livingstone and his Greater London Council ruling group, at a particularly embarrassing moment for the Government. On May 8, the day chosen for the opening, the Bill to abolish the GLC elections in 1985, as a prelude to abolition of the council itself, in 1986, will be attempting what is likely to be a very rocky passage through Parliament.

The workmen on the barrier, which has now cost £460m and is more than a year late opening, voted overwhelmingly in favour of inviting the Queen rather than Princess Diana, the GLC choice. The Queen was reported to be delighted at the invitation to open the 10-gate barrier which brings security from surge tide flooding to around 2m of her *subjects* in the capital.

She will be accompanied by Prince Philip and they will sail down the Thames in the Royal Barge from the GLC Festival Pier on the South Bank before disembarking at Woolwich to be greeted by GLC leaders under a "Working for London" banner.

The Prime Minister is not expected to attend, but Livingstone will be accompanied by his mother—who lives in Grantham, although not over a grocer's shop.

"Two bronze Liver birds and an unfinished Garden Festival isn't much collateral against thirty million quid"

Health resort

Minister of Health, Kenneth Clark, clearly knew his man when he asked Ivan Kingston to knock a little sense into Brent Area Health Authority.

Not long ago, police had to be called in to break up one of its meetings. This week, its members—*still including* some who cheerfully describe themselves as "well to the right of Genghis Khan," and others who would proclaim a people's republic at the drop of a hat—had one of their quietest and, at two and a quarter hours, shortest sessions.

A trade policy consultant, Kingston has enjoyed one or two stormy chairmanships since he first became known in the City as head of corporate finance at the Ionian Bank. As older readers will recall, the bank wound itself up without a stain on its character in a period when others were heading for stickier ends.

A small, combative-looking but generally good-humoured ex-Austro-Hungarian, Kingston's career suggests he likes a challenge. When there seemed to be none around a few years ago, he took three years off in his mid-40s, to gain a law degree at the London School of Economics.

Of his posting to Brent, he says: "I really am non-political. I thought that my task was to apply a little business sense to *an administrative job.*"

But he is finding it takes more than that to handle the local guerrillas. Kingston has countered by trying to whip up local concern about health care issues in his mixed area of lush suburbs and ethnic slums.

He has gone on record as a patients-first man; and surprised the local consultative body by taking notes and pro*posing more frequent meetings.*

"I've always meant to keep out of politics," he says, ruefully. "But this is a political process, and the horrifying thing is that I'm enjoying it."

Cross fire

Chesterfield is reacting with a fair measure of good humour *to the political pressures being* put upon it.

Nobody seems to have thought of a joke about Tony Benn yet, but some Alliance voters are said to be pursuing their cause under the slogan: "Vote for Max and get a Payne in the House of Commons."

And one of Conservative candidate Nicholas Bourne's campaigners is alleged *to have told* a potential supporter: "Nick hopes that after March 1 his future will be lying in the House of Commons."

Observer

POLITICS TODAY

The British road to Rome

By Malcolm Rutherford

SOMETHING VERY important has happened in British politics *since the last general election.* The country has come to terms with Europe.

That is not quite the same as coming to terms with the European Community, which is itself in crisis. But it is a fundamental change, none the less.

The conversion is arguably at least 10 years too late. Indeed, it is only a little over 10 years since Britain first joined the Community. Some people might says that the conversion is 30 years too late. The Messina Conference, which led to the formation of the original Community, took place in the mid-1950s. Britain stayed out.

There is *also a* terrible irony about the timing of the conversion. At the very moment when the British seem to have accepted Europe as part of their way of life, a British Government faces decisions at *least* as crucial *as those* in the aftermath of the Second World War.

Britain got it wrong about Europe in the 1950s. Can it get it right now? The answer to that question is tantalisingly open. Possibly the next few weeks, certainly the next few months, should tell.

A terrible irony about the timing of the conversion

To begin on the low ground. Anyone who reads newspapers or watches television must have noticed that many leading British politicians have made statements about Europe in the *last few days.*

Sir Geoffrey Howe, the Foreign Secretary and a politician not normally renowned for rhetoric, said in Brussels on Monday that if the present Community crisis is not resolved: "A dream would have died. Our generation would have failed."

Dr David Owen, the Social Democratic Party leader, argued in a speech in Brussels on Tuesday that the Community had been negligent in not taking defence sufficiently into account. The development of the European *Community* and *the* development of a European defence identity within Nato, he suggested, ought to be taken *out of their* separate boxes.

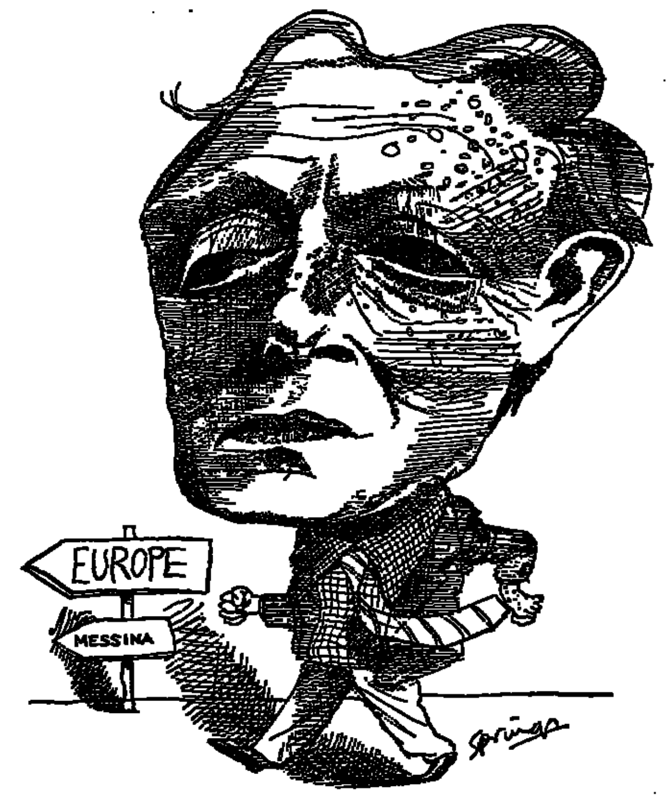
And Mr Neil Kinnock, the leader of the Labour Party, called in his article in the New Socialist for a new Messina Conference to "reclarify our ideas about the important problems of our time."

There are some more practical examples. In the debate in the House of Commons on Monday on the British contribution to the Community budget, Mr Robin Cook spoke for the Labour Party about the common agricultural policy and monetary compensation amounts with an expertise that implied that he took membership *for granted.* At *one stage* Mr Cook was persuasively defending the views of the European Commission and of Mr Christopher Tugendhat, one of the British Commissioners and a Tory, against those of the British Government.

Again, the TUC-Labour Party Liaison Committee has been continuing its consultations on workers' rights. It has concluded that some of the draft European Community directives on the subject are considerably more attractive than anything coming out of Whitehall. Its draft statement lauds the preamble to the Treaty of Rome for affirming as an "essential objective" the constant improvement of living and working conditions. According to the Liaison Committee: "The narrow bluster over budget rebates is simply an attempt to disguise the absence of any coherent European strategy on the part of this Government."

Not least, there is the approach of the elections to the European Parliament which will take place in June. These are *important in national political* terms because they will be the first big test of opinion since the general election last year. For the Labour Party it is vital to show that its percentage share of the vote is moving way ahead of that of the Alliance and, of course, vice versa from the Alliance's point of view. The Marplan poll in yesterday's Guardian, which put Labour marginally in front of the Conservatives for the first time for more than two years, only adds to the fascination.

But it is also beginning to *look as if the European elections* may be important in their own right. The electorate will be asked not only to cast a ritual or a random vote for a relatively remote Parliament. It will be asked as well to give a view on policy towards Europe.



Mr Neil Kinnock, the Labour leader.

The most significant fact is this: for the first time Britain is not debating whether it wants to be a member of the Euro*pean Community. It is debating* the kind of Community it wants to belong to, and both the Government and the opposition parties, in their different ways, are playing a full part.

Crucial decisions may well be made before the European elections take place. Without going into the details, it is worth a brief summary of the background. Community finances are about to run out. At the same time, there is concern about how far these have been consumed by the agricultural policy. The British want a *ceiling on agricultural spending* and a durable mechanism which would impose a limit on their own net contribution to the Community. If those latter problems can be resolved, the British Government will agree to an increase in the Community's financial resources and the Community can move on to deal more seriously with the question of the admission of Spain and Portugal, and possibly of Turkey thereafter. The old contentions, which seemed to make Britain such an odd man out in the past, will have been removed.

At the moment the outcome is entirely open. Britain has probably made more concessions in advance than is generally realised in Westminster. For example, it was implicit in the Stuttgart Declaration from the European Council last June that the Government will approve a rise in the Community's finances if its budgetary and agricultural conditions are more *or less met. It is now becoming* explicit. Such a rise would have to be ratified by Parliament and some MPs, even on the Tory side, are becoming a little suspicious.

The Government has also moved rather more than might have been expected towards accepting the agricultural policy, provided there is a price limit. The Foreign Secretary argued forcefully at a Select Committee last week that there should be no scope for national derogations. Without a common European agricultural policy, he suggested, there would be even more trade wars: within Europe, as well as between Europe and the U.S. It would not be surprising if the British were to offer to drop their own special privileges, such as the butter subsidy, as the negotiations reach a climax.

There is also just a tendency to admit that the Government's own calculations about the size of the next British contribution to the budget may be faulty. A new paper on the subject is awaited from the Commission in the next day or two.

Finally, for reasons of foreign policy, the Government now has a strong commitment to the entry of Spain and Portugal. Sir Geoffrey told the same Select Committee last week that he was surprised to hear himself saying it as a former Chancellor, but there were some things that could not be measured in pounds, shillings and pence. Securing a stable Iberian peninsula was an essential Western interest.

It must be clear, therefore, that the Government wants to settle the British problems with the Community once and for all.

Yet there is one decision that has not yet been taken, and cannot be taken for the next few weeks. That is, what hap*pens if the pieces fail to fall* into place? The Government has made it plain that everything must be settled together: the budget, agriculture and financial resources. Nothing less will do.

European diplomacy at present is extremely concentrated. There is a meeting of the European Council in Brussels towards the end of March and another in Paris in early June. All sorts of consultations will take place in between. But if the pieces have come togther in the next few months, the British will have to make a fundamental judgment: whether to compromise still further or to go for the big bang solution.

A hint of the latter was given by Mr Malcolm Rifkind, a rising star of Mrs Thatcher's administration, in the Commons debate on Monday: "I recollect," he said, "how, in the late 1960s, France under General de Gaulle was so anxious to protect its vital interests, as it saw them that it withdrew from the Council of Ministers for seven months, without anyone trying to question its basic commitment to the Community."

And again, talking of the possibility of there being no agreement, he insisted: "The Prime Minister has made it clear that we cannot rule out any method of responding." In other words, it could be very rough.

The preferred choice is a settlement. But there is a secondary choice if it is not reached. A bust-up might still be very popular at home. Moreover, the merit of the big bang theory nowadays is that it would not be tantamount to Britain walking out of the Community.

A bust-up might still be very popular in Britain

It would produce an upset so dramatic that a settlement would almost certainly be found in the end, just as it was in the days of de Gaulle.

There is, meanwhile, rather more to Mr Kinnock's proposals than meets the eye. There is a great deal to be said for a new Messina Conference. Europe is quite different from the days *when the Treaty of Rome was* written, and the world as well.

What Mr Kinnock has failed to notice, however, is that the new Messina Conference is already going on. It is not like the old one, to be sure. But these endless meetings in Paris, Brussels and elsewhere: they are the new Messina.

Britain missed the boat the first time round. The Government is now trying to catch up and to take the country with it. But it is still going to be a pretty close-run thing and one could wish that more people were *aware* of the importance of the next few weeks.

Lombard

The Reagan-style industrial policy

By Terry Dodsworth in New York

IN THE forthcoming presidential election campaign, the Democratic Party may well be successful in forcing the present administration onto the defensive over industrial policy. Yet the Reagan Government has *itself presided over some* far-reaching structural changes in industry which many economists believe were long overdue.

Its actions may not be neatly codified into an "industrial policy", and they may have been more ruthless than critics would like. But they have been methodically hitting their targets under the guise of high interest rates, deregulation and generous depreciation allowances.

The impact of this mix of policy instruments has been evident in corporate America's fourth-quarter figures at the end of the first year of the recovery. The inherently strong companies have now mostly put the ferocious recession years behind them, and are bounding along on a wave of new investment prompted by an exceedingly strong inflow of cash. The weak are still suffering and are being forced to continue with their relentless drive to reduce costs.

In areas of inefficiency, most notably those where semi-monopolistic labour policies have secured their grip over *the last three decades, the* attack has drawn a great deal of blood. The clearest examples are in airlines and steel. Like several other domestic service industries, the airlines have lived for 30 years under a protective umbrella which has given everyone involved — the shareholders, the banks and the workforce — a virtually assured return because of limited competition and predictable price increases. The combination of deregulation (a policy inherited by this administration), disinflation and high financing costs has broken this comfortable alliance.

Steel had equally managed to deflect some of the normal price disciplines of the market in a post-war era characterised by strong demand. But the Reagan recession has finally drawn the industry's teeth

It is commonplace to stress the negative aspects of this shrinkage of the locomotive post-war industries concentrated on steel and engineering. The positive point is that investment is going elsewhere—into Silicon Valley, the *service industries, and the accelerating* modernisation of basic manufacturing. Economists differ sharply about the current strength of productivity growth. But it is difficult to explain the superlative figures produced by IBM and virtually all of its competitors last year *except by the widespread application* of high technology by industry in general.

The ability of corporate America to fund this new investment with real interest rates still at astronomical heights and the Government deficit eating up savings is now causing acute anxiety in the markets. Yet there is little evidence so far that the advancing sectors have been priced out of funds.

At the same time, while giving no help at all to America's competitors, the interest rate structure is being counterbalanced in the U.S. by a fiscal policy which has given a huge cash boost to the corporate sector.

The accelerated depreciation allowances brought in by the Reagan Administration have allowed companies to amortise their fixed assets at a rate far *in excess of their* replacement costs.

The impact of this policy on the strong companies which are generating hefty profits again has been masked by Wall Street's preoccupation with the bottom line. But the recovery in cash flow has been widely in evidence in several preliminary balance-sheet statements. Companies are paying down debt and rebuilding their equity.

In this situation, the level of interest rates has become of much less cripping concern—except, of course, in those faltering sectors which are still living on credit. They are still suffering, the victims of the dislodging of the structural log jam of post-war U.S. industry—and of policies which have had the chairman of General Motors talking of five years of prosperity.

Letters to the Editor

Defining a building

From Mr J. Bradstreet,

Sir,—Patrick Jenkin's definition of an "industrial building" is eagerly awaited by industrialists and the property industry, for on it hangs their liability to pay rates on empty property. *May I present a case for the* definition to include warehousing?

Modern "industrial" buildings are suitable for both manufacturing and warehousing. It is only when an occupier moves in that it assumes the character of a factory or warehouse and is then rated as one or the other. Over a period of years the use to which a building is put can change from manufacturing to storage and subsequently back to manufacturing. When a building is vacated, it is then available for either purpose and it is surely ludicrous to attempt to differentiate between two similar vacant buildings, one of which was previously used for manufacture, the other for warehousing. Both are available for either purpose. The definition of "industrial building" for void *rating purposes should* therefore include all properties used for storage.

A number of authorities in the West Midlands and elsewhere, including Birmingham City Council have already had the foresight to extend relief to warehouses and storage buildings *and it is to be hoped* that the Government will follow suit.

J. A. Bradstreet,
Grimley and Son,
2, *St Philip's Place,*
Birmingham.

The world's last imperialists

From Mr A. Stuttaford

Sir,—Ian Davidson's reference to the "genuine national concerns" of the Soviet Union *in his article of February 20* ("Between Two Titans") made surprising reading.

The USSR is of course populated by many nationalities. It is very difficult to imagine what "Genuine National concern" these diverse peoples might have in common — other that is, than a desire to quit the Russian dominated "Soviet Union" as soon as possible.

It would be a pity if understandable anxiety over the current state of relations with Moscow were to lead commentators to give the Soviet Union, the world's last empire, a legitimacy which is as spurious as it is undeserved.

Andrew Stuttaford.
Reform Club,
Pall Mall, SW1

Rise in tobacco taxation

From the Director,
Action on Smoking and Health

Sir,—Writing about developments in the UK cigarette market, Mr David Churchill, your Consumer Affairs Correspondent, refers to "the heavy increases in duty imposed in *successive budgets.* ("Imperial in cigarette sales drive"—February 20.) Readers may be interested to know the true facts about cigarette taxation in recent years.

Despite a significant rise in tobacco taxation by Sir Geoffrey Howe in 1981, an average packet of 20 cigarettes *is* still some 18 per cent cheaper in real terms than it was in 1965. That year marked a high point in real cost of cigarettes within the past two decades. Looked *at another way, cigarettes* are still some 15 per cent cheaper in real terms than they were in 1962, the year the Royal College of Physicians published its first report on the davastating effects of smoking on health. One might have thought that successive governments from that year onwards would have used taxation to at least maintain, in real terms, the cost of this uniquely dangerous habit.

It is no secret, I believe, that the Chancellor has been receiving representations from the medical profession on an unprecedented scale, urging him to use the unique opportunity which he has to both increase revenue and at the same time depress consumption of our largest cause of avoidable ill-health and premature death. Thus, while Mr Churchill reports that the tobacco industry generally is expecting an increase of 3p a packet in next month's Budget, it may be somewhat disappointed.

David Simpson.
5-11, Mortimer Street, W1.

Nobody said thank you

From the Chairman,
Trade Union Side Office,
Driver and Vehicle Licensing Centre, Swansea.

Sir,—It was very encouraging to read your Transport Correspondent's article (February 11) about the considerable *improvement which the* Department of Transport had in enforcing vehicle excise duty during 1983. Staff dealt with about 45 per cent more offences than in 1982, and with the help of the police increased the number of cases prosecuted or settled out of court by 25 per cent. The department's permanent secretary told the public accounts committee that as a result the net "profit" from enforcement leapt from £3.7m in 1982, to £8.5m in 1983. All this with no increases in manpower! *I am told that the* committee, like your correspondent, was most impressed.

All the more pity that senior departmental officials did not take the opportunity to express their appreciation of the efforts their staff made during the year in getting these results. Instead my members have had to rely on your correspondent for recognition. Is this the way to win loyalty and support?

Yet the results could have been even better. Over 300,000 reports from the police and traffic wardens could not be dealt with simply bacause of staff shortages. What a waste of time and effort! The staff needed would have paid for themselves twice over. It is not as if a lot of extra staff would be needed to cope. The department is in the process of shedding 50 posts at the vehicle licensing office in Dundee and 500 more jobs are expceted to go at DVLC, Swansea, as a result of introducing new computers. Simply retaining these posts would provide the necessary manpower.

I hope that the public *accounts committee will* reach the correct conclusions—that vehicle excise duty needs to be retained and properly enforced. My members are keen to improve the department's effort in this area, provided they are given the necessary tools to finish the job.

Clive G. Williams
Longview Road,
Clase, Swansea.

Research into investment managers' selection skills

From Jane Chapman

Sir,—Your feature "Do the unit trust managers earn their keep?" (January 28) provoked a response from Mr David Fleming (February 11) which suggested that the London Business School's research into investment manager performance had rather surprising results. Perhaps I can put these results into context.

The number of investment managers for whom we have evaluated selection skills is (as yet) quite small. Indeed the sample of 15 quoted in the original article includes a range of investment managers from insurance companies, pension funds, stockbrokers and banks, and we would not wish to draw any conclusions about the abilities of all investment managers from such a small sample. On average investment managers must perform in line with the market and for every outperformer there must be an underperformer. All we can say is that of those we have analysed, a small number appear to have statistically significant stock selection skills.

We recognise that our sample is likely to be biased with clients sending in for analysis port*folios* which they feel to have done particularly well (or alternatively rather badly). Therefore, it is very unlikely that 20 per cent of all investment managers will possess significant selection skills. Further research in this area, particularly on broker forecasting skills suggests that selection skill is usually very small and quite rare.

Mr Fleming also discusses the risk reduction advantages of unit trusts. Here I would concur that for the small investor holding some sort of unit trust which in turn holds a wide range of equities is sensible strategy. Research here, however, shows that unit trusts vary significantly in their risk reduction characteristics, and some have the potential to deviate significantly from the returns on the index because they are not highly diversified.

Mr Fleming's final comment concerns the suitability of the FTA All-Share Index as a benchmark for judging performance because it does not incur the transactions costs of a managed fund. Some fund managers are now attempting replication of the index and, subject to the transactions costs in setting up the fund, in investing the dividends and in changing the constituents of the fund periodically, are able to track the index quite closely. Other managers are attempting to match the index with rather fewer stocks by selecting a portfolio which *shows a high level of diversification.* This is judged by comparing the returns on the fund with those of the index over a period of time. Once set up, this type of fund can also track the index quite closely without incurring high transactions costs.

A benchmark is vital for assessing performance and the FTA All-Share Index is perhaps the best agent with which to assess the performance of a totally passive investment strategy. After allowing for the inevitable transactions costs involved in running even a passive strategy, an active strategy must show it is superior. If the *returns are inferior then it may* suggest that the fund would benefit from being run more passively (and perhaps incurring lower management fees and monitoring costs as well).

Jane A. Chapman.
London Business School,
Sussex Place,
Regent's Park, NW1.

FINANCIAL TIMES

Friday February 24 1984

ALTERNATIVE SUPPLIES COULD OFFSET EFFECT OF A GULF CLOSURE

High stocks temper oil fears

BY RICHARD JOHNS IN LONDON

JUST BEFORE IRAN launched its latest offensive against Iraq, President Ali Khamenei warned that the closure of the Strait of Hormuz by his Islamic regime would "bring to a stop the wheels of Western industries."

His heady rhetoric, with its defiant challenge to "supercilious world powers," may have been inspired in part by memories of the supply crises of 1973–74 and 1979–80, largely responsible for the rise in the price of a barrel of oil from $2 to $34 in seven years.

But it took no account of the realities of the present oil market. If Iran sinks one tanker, it will effectively bring all oil traffic to a halt. Any such disruption of supplies from the Gulf must inevitably lead to a sharp rise in prices on the spot market. The extent of the increase would depend on the amount of panic among buyers and their perceptions of the seriousness of the shortage

A long stoppage of shipments from the region because of total insecurity or the actual closure of the Strait would force prices higher.

The deepest well ever drilled in the North Sea was described yesterday as a "very expensive failure." A consortium led by Burmah Oil spent about £25m ($36m) on the well, which went to over 18,000 ft in the most sought-after block in the 7th round of North Sea licences. The group paid £5m for the licence itself. The well casing collapsed at target depth, so it was not possible to test for oil at the crucial level. Oil flowed at 2,500 barrels per day from the uppermost level but it was associated with 2,000 b/d of water.

The physical loss of supplies, however, could be made up from other sources and from stocks, so that sufficient would be available for perhaps as long as a year.

The simple arithmetic may look alarming, especially when comparisons are made with previous crises. The oil currently being transported through the vital channel, between 8.5m and 9m barrels a day (b/d), accounts for almost exactly 20 per cent of consumption outside the Communist world.

In the last quarter of 1973, when the Arab oil embargo was imposed, triggering off a near tripling of prices at the end of the year, there was a shortfall of 4.5m b/d, 10 per cent of demand. The shortage in the first quarter of 1979 of about 2.5m b/d, only 5 per cent of demand, was only short-lived, but nevertheless presaged a price escalation of similar proportions in a period of two years.

Saudi Arabia's chartering of supertankers to build up 50m barrels of floating storage has highlighted the growing dangers in the Gulf, but the volume in storage amounts to only about 12 days of its exports. Its availability would help to dampen speculation, but little more, over a longer period.

The main reassurance now on oil supplies, which did not exist in 1973 or 1979, is the existence of significant unused capacity elsewhere which could compensate for about half the oil lost through a closure of the Strait. The other difference is a much higher level of stocks, despite a progressive rundown by companies over the past two years. Stocks were increased too rapidly in 1979 and 1980 because of initial panic and then misapprehension of the real demand-supply balance.

Stocks in the OECD countries totalled 90 days of forward consumption at the start of 1984, down from the high point of 104 days in mid-1982 but well above the dangerously low level of 70 days five years ago.

In this period, the proportion held by governments (mainly the U.S. and Japan) had increased from three to 15 days. The industry needs minimum stocks for operational purposes usually estimated at 60 days or more.

Nevertheless, Gulf Oil estimates that stocks overall could be reduced by 50 per cent, which would make available 5.5m b/d, more than covering any potential shortfall for well over a year.

For the consuming world, the main danger is that initial disruption to distribution, slow release of stocks and a "psychosis" of shortage might lead to soaring spot prices. Levels of $100 a barrel or so have been mentioned in some scare scenarios.

The Organisation of Petroleum Exporting Countries (Opec) at least now understands the continuing underlying weakness of the market and is unlikely, as it did in previous crises, to adjust its official rates to the level of artificial ones obtained on the free market.

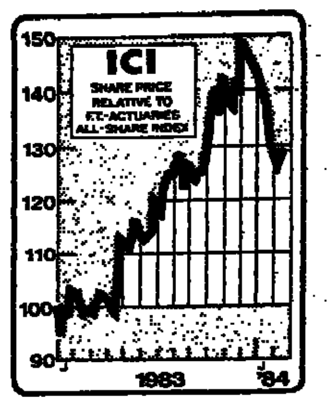
CLOSURE OF THE STRAIT OF HORMUZ

Potential supply disruption (mb/d)	
Saudi Arabia*	3.8
Iran	1.9
Kuwait*, UAE and Qatar	2.4
Natural gas liquids	0.6
Total	8.7
Potential supply replacement	
Nigeria	1.1
Libya	0.9
Venezuela	0.8
Algeria	0.4
Indonesia	0.3
Ecuador and Gabon	0.1
Mexico	0.3
North Sea	0.3
Others	0.1
Total	4.3
POTENTIAL SHORTFALL: 4.4	

* Includes Neutral Zone
Source. Gulf Oil

THE LEX COLUMN

Societies lose an endowment



Britain's building society movement has for years been the belle of the Government Broker's ball, as his most willing customer for low-coupon short-dated stock. In this cosy party, the Inland Revenue has played the role of fairy godmother, permitting the societies, which are the major lenders for house purchasers, to take their capital profits effectively tax-free. Last night, however, the godmother suddenly cut up rough, announcing that the glass coach would turn into a pumpkin at midnight. Henceforth, building societies will be treated in the same way as commercial banks, paying corporation tax on their capital profits.

Unlike Cinderella, the societies had not been told the rules in advance. Last night the more alert among them were keeping the gilt-edged market up to all hours as they tried to harvest the last of their tax-exempt gains. Other holders, anticipating a permanent change in the status of those securities, joined in the rush.

The Inland Revenue was insisting yesterday that its decision to treat the societies as traders was taken purely on legal advice. Nonetheless, it is curious that only now has the Revenue taken to examining the glaring tax anomalies in the cash savings market. It will not have escaped the Revenue's attention that commercial banks have for long been arguing that, if the societies are to operate as banks, they should be taxed as such. By a nicety of timing, the ruling follows hard on the heels of the societies' blueprint for their incursion deeper into retail banking.

Furthermore, there is growing speculation that next month's British budget will concern itself with the reform of taxes on savings. If nothing else, yesterday's edict from the tax authorities was an intriguing pointer.

The market, and the Bank of England, will be waiting to see how the societies reinvest last night's proceeds. Most likely they will try to buy stock of similar maturities but carrying a higher coupon. This will in itself help to iron out an obvious kink in the yield curve. The central bank, which has increasingly relied on the societies for its funding, must hope that the ruling does not reduce by too much their appetite for gilt-edged stock in general.

Whatever happens, the Revenue will have upset the rather neat arbitrage business which the Bank has developed. After all, it was the Bank's practice of reducing its overall interest burden by issuing low coupon stocks and buying in higher coupons which so encouraged the societies to indulge the trading habits which the Revenue now deplores. Perhaps the Inland Revenue can now be expected to focus on the counterparty to all this trading, and pay an early call on the Bank of England.

ICI

The change of climate in ICI's boardroom has probably contributed at least as much to the group's 1984 earnings as the fair wind blowing market demand and currency changes in its favour. The ruthless pruning of ICI's heavy cyclical businesses has at last achieved, in the final three months of 1983, a quarterly performance without a single loss in any of the group's separate classes of business. At the same time, fresh management attitudes can be discerned in ICI's still growing dependence on the more specialised and less cyclical products underpinning its agrochemical and pharmaceutical profits. The combined result is a jump in pre-tax profits for the whole of 1983 from £259m to £619m.

Estimates for the year had been leap-frogging themselves ahead of yesterday's announcement in a way that said more about the City of London than ICI, and that prompted a setback for the shares, which closed in London down 16p at 588p. Explanations of the fall inevitably pointed to some disappointment over the most exciting growth areas, with some fourth-quarter seasonal weakness in the agrochemicals division apparently causing particular surprise. But this cannot detract from the overall performance of these areas. Pharmaceuticals trading profits have jumped 44 per cent on the strength, very largely, of Tenormin's success. Agrochemicals have exemplified ICI's rejuvenation by using the group's huge marketing power to profit from licensed-in products, a more flexible approach which has helped push total agriculture profits up 10 per cent.

The strong cyclical recovery in ICI's traditional businesses has elsewhere combined with another year of sharply diminished capital spending to produce a sizeable net cash surplus.

With little more major retrenchment anticipated and every sign in the current quarter of a continuing recovery in demand, ICI now looks able to achieve £860m in 1984, which puts the shares on a 7.6 p/e multiple assuming a 42 per cent tax rate, with a historic yield of 5-6 per cent after yesterday's increase in the total dividend to 24p. Adjusting for inflation, the 1979 dividend would today be about 34p, which may not be achieved this year but at least looks a plausible target for the company.

Beecham

The Beechman Group has waited a long time, perhaps too long, to break into the Italian pharmaceuticals market; but its purchase, announced yesterday, of Zambeletti seems to have been well worth waiting for. Beecham has been acquainted with its management for many years, feels comfortable with the Zambeletti accounts as audited by Peat Marwick, and has even obtained warranties against any retroactive tax judgments – not necessarily as technical a matter as it sounds.

The £42.3m being paid for nearly 84 per cent of Zambeletti represents an exit p/e of less than 9 for the Italian company, using a 45 per cent tax rate. This is probably not quite the rare bargain for Beecham that it might appear. Zambeletti's pre-tax profits, at £10.4m in 1982, made a quantum leap from rather humbler levels and its business environment has been changing significantly in Italy with new patent laws and much greater uncertainty over prices.

Such worries will not much concern Beecham, which as usual has shrewdly taken its chance to acquire a respected marketing operation. It looks a good price from this angle – and will look cheaper still if the Italian market can give a fillip to the disappointing sales of Augmentin.

Israelis step up air strikes on Lebanon

By Patrick Cockburn in Beirut

ISRAEL aircraft bombed targets in Druze-held territory South-east of Beirut yesterday in an escalation of Israeli air attacks against what it claims are attempts by Palestinian guerrillas to move south.

Israeli said it had bombed two buildings used by guerrillas and a gun position, but while this was the third Israeli air strike this week, there is no indication that Jerusalem's policy of limiting its involvement in Lebanon has changed.

In Beirut fighting and shelling along the Green Line which divides the Christian East from the mainly Moslem West of the capital claimed 15 dead and 58 wounded overnight, police said. A French soldier was among the dead.

In the west of the city, the mainly Moslem Sixth Brigade of the Lebanese Army, which defected to the opposition early this month, has taken over security duties from the militiamen.

There is little sign of the diplomatic stalemate being broken. In meetings yesterday, President Amin Gemayel was under pressure from the Christian militia and such figures as former President Camille Chamoun not to abrogate the May 17 agreement with Israel on troop withdrawals. The Christian community as very nervous about its future after the defeat suffered by the Government in the last six months. "They think only of their own fear," a Maronite Christian said

Syria is demanding that Lebanon abrogate its May 17 agreement with Israel and nominate a new Prime Minister, but President Gemayel is uncertain which way to turn. Mr Pierre Gemayel, the President's father and leader of the Phalange party, has described the situation as "appalling."

President Gemayel is being criticised by both Christian and Moslem leaders for his isolation in his palace at Baabda and his reliance on a small group of inexperienced adviers. They note that Mr Elie Salem, the Foreign Minister, and Mr Wadi Haddad, on whom the President relies heavily have both exaggerated the extent to which the regime could relay on U.S. support.

Moslem units of the Lebanese army, meanwhile, began policing West Beirut yesterday as Shia and Druze militiamen who seized control of the Moslem half of the capital four weeks ago gave up their checkpoints and guard posts.

The final evacuation of the U.S. marines seems likely to take place over the next few days, apart from the men who stay behind to guard the seafront enclave which contains the British and American embassies.

Iran telex played key role in steel row

BY PETER BRUCE IN LONDON

A STRONGLY-WORDED telex message from Tehran barring Korf Engineering, which is based in Düsseldorf, from continuing negotiations to build a steel plant near Isfahan has emerged as the key to a legal battle between Korf and Japan's Kobe Steel over the right to build the plant in Iran.

Kobe Steel said on Tuesday that it had won a $182m contract to build the plant, using the specialised Midrex direct reduction technology, but was quickly accused by Korf Engineering, part of the Voest Alpine Group of Austria of "cannibalising" Korf's exclusive licence from Midrex, a U.S. company, to build the plant.

The Kobe order is for five direct reduction modules – which simplify the production of iron by bypassing the blast furnaces stage – that will form the heart of a major steel complex being built by the National Iranian Steel Company at Mobarrakeh, outside Isfahan, in central Iran. The project, worth some $1bn overall, is being managed by Italy's Italimpianti.

The West German embassy in Tokyo has confirmed that it had attempted to persuade the Japanese Government to block the deal, citing a court injunction made last week in Zurich where the Midrex licences are administered, stopping the transfer of a Midrex construction licence from Korf Engineering to Kobe or of an operating licence to Iran.

"We presented this legal point and expressed our general concern about the possible effect of this dispute on relations between West German companies and Japan," one embassy official said.

Both Korf Engineering and Midrex were part of Mr Willy Korf's steel and engineering group which collapsed last year. A territorial licence to use Midrex's direct reduction technology in Iran, other parts of the Middle East and Africa were transferred to Korf Engineering in 1971. The Korf Engineering licences were to run until 1991.

Kobe Steel, Japan's fifth largest steelmaker, has also become a major process plant contractor and bought Midrex last summer. At the time, Midrex claims, the Korf licences were cancelled (this is also in litigation) but special permission to continue with the Isfahan project was granted. Korf Engineering, taken over last year by Voest Alpine, had been bidding to build the steel plant for five years.

Korf Engineering claimed on Tuesday that the deal struck between Iran and Kobe was "a grave violation" of its licence rights and it, too, cited the injunction handed down by the Zurich court last week.

Midrex has not yet commented directly on the dispute but it is now known that the Iranian project consultants, possibly with Government consent, sent a telex to Korf Engineering last week complaining about its pricing policies and breaking off any further negotiations.

The telex is believed to mention a Korf bid considerably higher than the final Kobe offer.

Korf Engineering officials concede their bids were higher, but say their bid had to take account of licence fees payable to Midrex had the deal gone ahead. They also claim that the Kobe offer is "far lower" than any agreed in equivalent Midrex plants new under construction.

It is still not clear whether Kobe has actually acquired a licence from its subsidiary, a question complicated by the Zurich injunction Kobe yesterday denied Korf Engineering's charges of violating a binding contract and said the contract had been a normal transaction.

The Zurich court is due to hear argument on the dispute on March 15, and Midrex is likely to argue that the Iranian telex effectively nullifies Korf Engineering's right to supply the plant.

Korf, on the other hand, believes the telex forms part of a strategy formulated by Kobe and Teheran, to squeeze the German engineers out of negotiations in return for a rapidly-negotiated, cheaper deal.

Iran claims major advance

Continued from Page 1

aimed at the town of Ali al-Gharbi, which is further north on the Baghdad-to-Basra road. The Iranian aim appears to be to sever the roads leading north and south from Amarah, which is a key military and air base for the defence of Basra and the south.

During the last major Iranian offensive near Basra in July 1982, the Iranians initially broke through and nearly reached the Shatt al-Arab but were then decimated by Iraqi counterattacks. Military experts still doubt whether Iran has the logistical capacity to sustain such offensives in the face of Iraqi air superiority.

Television in Baghdad showed film yesterday of a battlefield littered with the bodies of Iranian soldiers.

The Iranian offensives at several points along the international border during the past nine days have been developing much as predicted by U.S. officials in Washington. With other large Iranian troop concentrations yet to become involved in the fighting, further attacks can be expected.

Mr Ali Akbar Vellayati, Iran's Foreign Minister, reacted yesterday to President Ronald Reagan's pledge on Wednesday night to keeop open the oil supply route througt the Strait of Hormuz. He said Iran would not hesitate to close the Strait and added: "Any insane action by the Iraqi regime or any act of adventurism by the U.S. or any other power would endanger all the interests of the West in the region."

Newspapers in Bahrain reported yesterday that the Government had begun stockpiling food in anticipation of a possible closure of the strait.

Richard Johns adds: The oil market continued to show little expectation of a major disruption of supplies as a result of Iran's intensified offensive.

Gulf crudes showed a marginal gain as some refiners sought to cover short positions. Arabian Light was reported by traders to be up three cents compared with Wednesday's transactions, with a buyer-seller rate of $28.45-$28.55.

French lorry drivers tighten grip

Continued from Page 1

Even though the number of barricades was around the same level as Wednesday's 240, the Government was able to claim that traffic was moving – though slowly – in most areas.

In the Alpine Maurienne valley, where lorries massed at the end of last week to block access to ski centres, truckers drove off yesterday after declaring themselves satisfied with measures to speed Alpine tunnel crossings contained in Tuesday's government plan. Adding to confusion, however, other drivers, who were determined to continue protesting, tried to block their departure.

The ability of the two confederations to control wildcat drivers acting on their own initiative looked increasingly fragile. In another incident, drivers forced a petrol station to close in a bid to halt lorry movements simply by depriving them of diesel supplies.

To try to ease jams in the Alps, the Government announced it was allowing non-refundable grants of FFr 2,000 ($241) per person to lorry drivers stuck in Alpine regions to allow them to return home. Officials said the offer, open to foreign drivers as well, was not a "bribe" but was simply "assistance" to those who had run out of money.

The Government has not decided, however, whether the FFr 8m compensation fund set up to indemnify drivers facing losses through involuntary delays would apply to foreigners. Mr Ray Whitney, a junior UK Foreign Office Minister, discussed the question at the French Foreign Ministry yesterday of compensation for the several hundred British drivers held up in French traffic jams.

Paul Cheeseright adds from Brussels: The French transport blockade and the crisis on the Franco-Italian border are being used to stimulate EEC action on easing commercial exchanges between the member states. The Netherlands Government has failed in its attempt to secure an emergency meeting of transport ministers next Monday, but meetings of both transport and trade ministers are now likely to be arranged for early March.

Baldrige sees U.S. expansion

By Stewart Fleming in Washington

MR Malcolm Baldrige, the U.S. Commerce Department Secretary, claimed yesterday that the U.S. economy had now passed the stage of recovery from recession and was "in an expansion."

His comments followed the release of figures for new orders for durable goods, which jumped 1.1 per cent in January, following a sharp upward revision in the earlier December figure to an increase of 1.7 per cent. Particularly notable is the fact that the rise came in spite of a weak month for defence and transport equipment orders. Excluding defence equipment, the jump in the January new orders figure would have been 3.7 per cent.

Mr Baldrige said that the order trends of the past six months would contribute "significantly" to the first-quarter growth of gross national product. Strong increases in other economic data for January, including retail sales, have also led economists to predict a strong first-quarter growth, although some analysts warn that seasonal influences, coupled with the provisional nature of the figures, make accurate predictions so early in a quarter difficult.

Wall Street again responded to the solid economic news with something less than enthusiasm. Fears that rapid economic growth will limit the freedom of the Federal Reserve to ease its monetary policy have begun to dominate Wall Street thinking and this week they have had the additional concerns of a weakening dollar and bond prices coupled with a rising gold price to contend with.

The markets do not seem to have been encouraged either by the renewed efforts underway in Washington to reach a political compromise on cutting the federal budget deficit.

In his press conference on Wednesday night, President Ronald Reagan sought to increase the pressure on the Democrats to agree to the sort of budget-cutting proposals he has in mind, accusing them of seeking to avoid negotiations.

Yesterday, representatives of the Administration and Republican and Democratic political leaders met for the second time to discuss the President's $100bn deficit-cutting "down payment" plan.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	R	6	43	Dubrovnik	R	9	48	Malaga	F	16	61	Salzburg	C	-2	28
Akrotiri	S	18	64	Faro	C	15	59	Malta	–	—	—	Seoul	C	4	39
Algiers	F	15	59	Florence	–	—	—	Manila	C	33	91	Singapore	C	31	88
Amsterdam	C	1	34	Frankfurt	C	2	36	Miami	C	27	81	Stockholm	Sn	-1	30
Athens	F	15	59	Funchal	C	16	61	Milan	C	6	43	Strasbourg	S	6	43
Bahrain	C	25	77	Geneva	S	4	39	Moscow	S	-5	23	Sydney	C	27	81
Bangkok	C	33	91	Gibraltar	F	15	59	Munich	C	-3	27	Taipei	C	22	72
Barcelona	R	6	43	Guernsey	F	6	43	Nairobi	–	—	—	Tangier	C	16	61
Beirut	C	18	64	Helsinki	S	-5	23	Naples	–	—	—	Tehran	–	—	—
Belgrade	S	4	39	H. Kong	C	25	77	New Delhi	C	17	63	Tel Aviv	S	22	72
Berlin	C	1	34	Innsbruck	F	0	32	New York	S	3	37	Tenerife	F	18	64
Biarritz	F	9	48	Inverness	F	6	43	Nice	S	10	50	Tokyo	Sn	4	39
Blackpool	C	5	41	Istanbul	F	10	50	Oporto	F	13	55	Toronto	S	2	36
Bordeaux	C	6	43	Jersey	R	5	41	Oslo	F	-4	25	Tunis	F	15	59
Brussels	C	3	37	Jo'burg	C	27	81	Paris	C	5	41	Valencia	S	15	59
Budapest	C	3	37	Las Palmas	F	19	66	Prague	C	-2	28	Venice	R	4	39
B. Aires	C	30	86	Lima	C	26	79	Reykjavik	Dr	4	39	Vienna	Sn	0	32
Cairo	–	—	—	Lisbon	R	13	55	Rio de J'o	C	37	99	Warsaw	F	2	36
Cape Town	–	—	—	Locarno	C	5	41	Rome	C	12	54	Zurich	S	2	36
Caracas	R	29	84	London	C	4	39								
Casablanca	F	15	59	Los Angeles	C	11	52								
Copenhagen	Sn	1	34	Luxembourg	F	3	37								
Corfu	F	14	57	Madrid	S	9	48								
Dublin	C	6	43	Majorca	F	11	52								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Tax move hits gilts

Continued from Page 1

The Inland Revenue explained yesterday that it was "now advised" that gilt profits should be treated as trading profits. Although not spelling out their reasons, Inland Revenue officials have changed their application of tax law to building societies because the societies have come to rely on gilt profits to cover losses on their other activities.

The building societies have also sought to avoid the receipt of interest on their gilts, which would have been fully taxed, by selling their gilts shortly before the last dividend payment is due. A few societies have been "dividend-stripping" much more actively, but the new rules apply to all societies without discrimination.

The building societies were so anxious to sell their stocks last night because it appears that the new rules may mean that when the stocks are sold all the accrued capital gains will be taxed as income, regardless of when they were bought.

On average it is estimated that as much as 50 per cent of building societies' liquid funds are in gilt-edged securities.

Of total building society funds of £85bn last year some $12.90bn, or 15 per cent, was held in gilts of which $12.75bn were in short-dated stocks

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FINANCIAL TIMES
Friday February 24 1984

IBM delivery problems delay BT modernisation

BY GUY DE JONQUIERES IN LONDON

IBM IS discussing with British Telecom (BT) delays in the delivery of equipment which have slowed down a £35m ($50.4m) BT programme to modernise 200 telephone exchanges.

BT said that IBM had delivered only a few of 100 electronic devices ordered almost two years ago, some of them prototypes. The re-equipment programme would probably not be completed until the end of this year, a year later than first planned.

IBM shares the £20m equipment contract equally with TMC, a British subsidiary of the Dutch Philips group. TMC said yesterday that it had delivered almost all of its equipment, some of which was already fully operational.

The devices are "black boxes" which will enable semi-electronic exchanges to offer many of the sophisticated customer services available on System X, the advanced digital exchange which will form the backbone of BT's future network.

The order was considered an important breakthrough for IBM, which has been pressing hard to expand into the European telecommunications markets from its base in computing. It has already won a large contract for West Germany's videotex information system – which is also running behind schedule – and plans to launch an electronic banking network jointly with BT.

IBM confirmed that it was discussing a revised delivery schedule with BT. It expected to have its "black boxes" installed at all 100 exchanges by mid-summer, although they would probably not become fully operational for some time.

It said that the contract was the first of its kind IBM had ever undertaken and had required much special development work.

The timetable for the programme has already been revised at least once.

Biogen faces patents dispute

By Louise Kehoe in San Francisco

AN INTERNATIONAL patent dispute over what is expected to become the first commercially significant product to emerge from the biotechnology industry arose on Wednesday when Biogen, a Swiss company, claimed that it had obtained the world's first patent for a specific product made by gene-splicing. The Biogen claim was immediately challenged by Genentech of California.

Biogen, founded by Nobel prize-winning biologist Dr Walter Gilbert, said that it had received a European patent for alpha interferon, a protein that is believed to be potentially useful in the treatment of diseases ranging from the common cold to certain types of cancer.

"This is the first patent in America or Europe for a recombinant DNA product," said Dr Gilbert. "It covers all types of alpha interferon made by recombinant DNA techniques."

Genentech said, however, that it wouldchallenge Biogen's European patent.

"There is a nine-month period during which patent awards can be challenged. Genentech, in association with Hoffman-La-Roche, which holds a licence to make the Genentech-developed alpha interferon, will raise such a challenge," said a spokesman for Genentech. "We are very confident that our prior claim will succeed."

Genentech received an American patent for a "hybrid" alpha interferon product last November and has also applied for a European patent.

The Biogen product has been licensed to the U.S. group Schering-Plough and will be sold in Europe late this year or nearly next year under the trade name Intron, according to Biogen.

Renault truck division loss jumps to FFr 1.9bn

BY PAUL BETTS IN PARIS

RENAULT Vehicules Industriels (RVI), the industrial vehicles subsidiary of the French state-owned Renault car group, lost FFr 1.9bn ($229m) in 1983, more than doubling its FFr 746m loss of 1982.

But M Bernard Hanon, chairman of Renault, said yesterday the truck subsidiary had no intention of giving up ground to its competitors on the French market. "If necessary, we would be prepared to lose FFr 2bn again," he said.

M Hanon also confirmed yesterday that negotiations between Renault and International Harvester of the U.S. on rationalising the two companies' agricultural machinery business in Europe were continuing.

These discussions were expected to lead to a rationalisation of the groups' manufacturing activities.

However, M Hanon suggested that the two companies would retain independent marketing and commercial networks.

For more than a year now, the French Government has been pressing for a rationalisation and restructuring of the troubled farm equipment sector around the Renault group. The Government is now expected to support the joint venture between the two groups with financial aid totalling up to FFr 1.5bn.

The Renault group's overall consolidated net loss for 1983 is expected to be a little lower than the commercial vehicle division's FFr 1.9bn deficit. This is because Renault's car operations continued to operate at a slim profit. M Hanon also said he expected Renault to return to profit in 1985 or 1986.

The truck loss reflects the fierce price discount war on the French market last year. M Hanon said yesterday he expected this price war to abate because Renault's foreign competitors had realised that the French group had no intention of giving up market share.

Renault's truck subsidiary saw its domestic market share decline from 45 per cent to 35 per cent last year. However, in the last few months, Renault has recovered up to 44 per cent of the home truck market, a Renault official said yesterday. M Hanon said he hoped RVI would regain its 45 per cent market share this year.

M Hanon's remarks came the day after Renault announced plans to cut 7,250 jobs this year – 3,750 in the truck subsidiary and 3,500 in the car division. M Hanon reaffirmed Renault's intention to avoid redundancies and rely on early retirements and other voluntary incentives to reduce its workforce. However, he acknowledged that in the case of the truck subsidiary there might be the need to make some "less voluntary" cuts.

Bloedel recovers sharply in quarter

By Nicholas Hirst in Toronto

MACMILLAN Bloedel, a Vancouver based forest products group 49 per cent owned by Noranda mines, recovered sharply in the fourth quarter to produce net earnings for the year before extraordinary items of C$2.8m ($2.24m). The comparable loss for 1982 was C$93 3m.

In the fourth quarter MacMillan Bloedel made C$13.5m before a C$4.3m extraordinary loss, against a loss of C$37.3m in the comparable period.

The company began its recovery in the second quarter of the year on the back of sharply increased lumber prices following a pick up in U.S. housing starts, and with net earnings of C$11.7m made its first quarterly profit, excluding extraordinary gains, since the second quarter of 1981.

But lumber prices dropped back sharply in the third quarter, leaving MacMillan with net income of only C$600,000.

The company now says 1984 should see higher demand for all its products, including container board, newsprint, pulp and building materials.

Alpargatas keeps in step with Brazil's footwear market

BY OUR SÃO PAULO CORRESPONDENT

BRAZILIANS buy 100m pairs a year of what they call "Japanese sandals," a kind of sandal consisting of a rubber sole with a V-shaped plastic strap which the wearer slips between his toes. The poorest Brazilians may possess no other footwear at all, while the better-off happily wear them to the beach or use them as indoor slippers.

They sell for between $1 and $2 a pair, and more than half the country's overall production comes from the factories of one company: São Paulo Alpargatas.

Alpargatas started in 1907 as an offshoot of a British-owned Argentine company of the same name. The Brazilian business was controlled by British shareholders until 1934, then by Argentine interests until 1948. Finally, in 1982, the Brazilian company bought out the last 9 per cent of its capital from the Argentine shareholders.

Net profits at São Paulo Alpargatas fell by 40 per cent last year to Cr 12.75bn ($20.7m at the year's average exchange rate). Sales were $479m.

The result would have been worse without several special factors in the fourth quarter, including stock profits and a good return on financial operations.

Alpargatas attributes the profits fall to a combination of declining sales, last year's steep rate of inflation and reduced profit margins in its textile division.

There are still vestiges, though, of the Argentine connection. "Alpargatas" is the Spanish, not the Portuguese, word for espadrilles, or rope-soled shoes, which were the company's only product in its early years.

Many of today's senior executives in São Paulo, including Mr Keith Bush, the president, started their careers in Buenos Aires. Mr Bush was transferred to São Paulo in 1946, when the company still made espadrilles from canvas imported from Scotland.

From the humble espadrille, the company branched out in two directions. It started making its own canvas for the shoes, which led it, by stages, to become one of the country's biggest textile and clothing manufacturers.

Today it is the biggest single manufacturer of denim clothing. Mr Bush prefers not to reveal Alpargatas's precise share of the market but, including exports, the industry now produces 100m pairs of jeans a year and 250m other denim items such as skirts and shirts.

The other direction in which Alpargatas expanded was footwear. In addition to its Japanese sandals, it makes non-leather shoes of many kinds, mainly for the youth and sports markets.

Bell Group's interim profits up threefold

By Our Financial Staff

BELL GROUP, the West Australian master company of Mr Robert Holmes à Court, which is currently seeking – to raise its stake in Broken Hill Proprietary, last night announced a sharp rise in its net profits to A$15.04m (US$14.1m) from A$5.32m for the six months ended December 31.

Earnings per share increased to 30 cents from 15.5 cents, on group turnover of A$238.15m against A$228.08m. An unchanged interim dividend of 5 cents will be paid on May 24.

Tax paid last year rose to A$6.98m, against A$3.93m the previous year. Interest charges fell to A$10.66m from A$19.35m.

Swiss Bank expands in U.S. corporate broking

BY WILLIAM HALL IN NEW YORK

SWISS BANK Corporation is revamping its U.S. brokerage operation and integrating it more closely with its London investment bank in a move to penetrate the U.S. corporate market further.

The major Swiss bank announced yesterday that it was changing the name of Basle Securities Corporation to Swiss Bank Corporation International Securities and had hired Mr Guy Burgun from the London-based Orion Royal Bank to run the new operation.

Founded in 1969, Basle Security Corporation's recent performance has been overshadowed by that of its sister institution in London. Swiss Bank Corporation International, which was founded in 1980 and has become the major factor in the Eurocapital market.

Swiss Bank Corporation is establishing a corporate finance team in its U.S. brokerage arm and expanding its staff by more than a quarter, in a move to capture an increased share of the U.S. companies tapping the Euromarket. Until now this business has been done largely by the group's London and Swiss operations.

Swiss Bank Corporation International (SBCI) is to be the trademark for the Swiss group's worldwide capital market activities. Mr Burgun is to be a director of the London operation and the two firms will have six common directors.

Okobank net surplus rises

By Lance Keyworth in Helsinki

OKOBANK of Finland, the central bank for co-operative banks, reports a net profit for fiscal 1983 of FM 28.3m ($5m at the current exchange rate), compared with FM 23m in 1982.

Mr Helg Laakso, the new president of Okobank, described the result as "very satisfactory."

A 9 per cent dividend will be maintained on the old shares, and 4.5 per cent will be paid out on the new shares issued in 1983 when the share capital was raised from FM 220m to FM 395m.

Pepsico may sell transport business

BY PAUL TAYLOR IN NEW YORK

PEPSICO, the U.S. soft drinks and food group, is considering selling its transport business, which includes North American Van Lines, a leading household goods mover, and Lee Way Motor Freight, an interstate freight carrier.

The company said that several potential buyers had expressed an interest but that no negotiations were in progress.

Last year Pepsico's transport business group accounted for $730.4m or about 9 per cent of the group's total revenues of $7.9bn and $17.7m, or about 3 per cent, of its $634.7m total operating profits for the year.

Until recently, Pepsico's transport business had been hard hit by the recession and fierce price competition in the U.S. trucking industry. But the latest full year results reflected a modest improvement with revenues up 6.1 per cent and operating profits 16.4 per cent ahead.

Wells Fargo sues Citibank over deposit

By Our New York Staff

THE SINGAPORE subsidiary of Wells Fargo bank of the U.S. has sued Citibank in a New York federal court to recover more than $2m in deposits which have been frozen in Citibank's Philippines branch in Manila.

The suit, filed by Wells Fargo Asia, also seeks an unspecified amount of interest. The move brings to a head a row over the dollar deposits which Citibank says it is unable to repay because of foreign exchange restrictions recently introduced by the debt-ridden Government of President Ferdinand Marcos.

Citibank has not revealed the total amount of frozen deposits in its Manila branch, although some bankers have suggested that they could be around $550m while others have put the total at nearer to $1bn.

Citibank yesterday declined to comment on the move. Earlier this year it defended its position, saying that repaying the deposits would put its Manila branch in breach of local law.

"In this instance the failure does not constitute a breach for which either the branch or the institution as a whole is responsible," Citicorp said in its earlier statement.

The Wells Fargo Asia suit covers two $1m deposits made last June which were both due to mature last December.

NL dividend cut from 25 to 5 cents

By Our New York Staff

NL INDUSTRIES, one of the major U.S. oil service groups, has cut its quarterly dividend by four fifths as evidence mounts that the recovery in the U.S. oil industry will be slower than many had expected.

The New York-based group, which recently reported a net loss of $188.8m on revenues of $1.4bn in 1983, will cut its dividend from 25 cents a share to 5 cents to holders of record on March 15. It is payable on March 30.

NL said that the dividend adjustment was "consistent with NL's expectations of a more gradual petroleum service industry recovery from currently depressed levels." The company's action will improve its cash flow and balance sheet position.

NL Industries is the first major oil industry service company to slash its dividend and its action indicates that the hoped-for recovery will be delayed.

Oil service companies, which provide supplies for oil drilling activities, had taken encouragement from the upturn in drilling activity from last April's low point.

UBS lifts dividend on record results

By John Wicks in Zurich

UNION BANK of Switzerland (UBS), the country's biggest bank, is proposing an increase in dividend from 20 to 22 per cent and a one-for-20 rights issue.

This follows a 15.6 per cent rise in net profits last year to SwFr 506m ($231m) and an 8.3 per cent growth in the balance-sheet total to SwFr 115.1bn, both record figures.

In Zurich yesterday, Dr Nikolaus Senn, the executive chairman, said the bank's "minimum aim" for the current year was to repeat its 1983 earnings after having absorbed additional costs of between SwFr 100m and SwFr 150m.

The rights issue involves the offer of 120,000 new bearer shares, 110,000 registered shares and 320,000 participation certificates, with respective nominal values of SwFr 500, 100 and 20. These will be offered to existing shareholders in a 1:20 ratio and a price of three times face value, thus raising a total of SwFr 232.2m.

At the same time, a further 110,000 new bearer and 90,000 registered shares will be issued without drawing rights. These will be reserved for future convertible and option issues, acquisitions and placements. Together with the rights issue, this will increase the UBS share capital to SwFr 1.65bn and participation - certificate capital to SwFr 133.4m.

Dr Senn called the 1983 results "gratifying." Net interest income had gone up 9 per cent last year to SwFr 1.16bn, net commission earnings by 17 per cent to SwFr 947m and income from securities and participations by 8.4 per cent to SwFr 338m.

This more than offset a 10 per cent decline in earnings from foreign-exchange and precious metal trading to SwFr 298m. Income from bills of exchange and money market paper of SwFr 675m was almost unchanged from 1982 levels.

In view of continuing domestic and sovereign risks, the bank increased its "losses, depreciation and provisions" total last year by 15 per cent to SwFr 444m.

Prospects this year, said Dr Senn, were that both interest and commission earnings should improve slightly due to increased business volume. Income from foreign exchange and precious metal trading and securities should also increase.

Clients' deposits rose 8 per cent in 1983 to SwFr 72.4bn and the due-to-banks figure by 12 per cent to SwFr 28.2bn. Loans and advances to clients increased 4 per cent to SwFr 49bn and inter-bank assets by 11 per cent to SwFr 34.2bn.

Below the line, fiduciary deposits with other banks rose 16.4 per cent to SwFr 21bn.

Astra profits surge 50%

By Our Stockholm Correspondent

ASTRA, the Swedish pharmaceuticals company, reports a 50 per cent rise in profits after financial items and expenses, to SKr 631m ($79.7m), surpassing expectations. Total group sales and licensing income grew 30 per cent to SKr 3.8bn from SKr 2.95bn.

The result, said the company, was due to higher volumes, mainly in its Western European subsidiaries, helped by positive exchange developments. Foreign sales accounted for 80 per cent of the group total.

The group was forced to withdraw its anti-depressant drug Zelmid from the market because of reported adverse effects, and the estimated SKr 38m cost has been charged against income.

Respiratory division sales exceeded the 30 per cent group average, the fastest-growing in Astra. Sales in the cardiovascular division were SKr 1.2bn, of which SKr 860m was generated by the Seloken beta-blocker which was said to have performed "beyond expectations" in Japan.

Profit per share climbed from SKr 11 to SKr 14. The directors are increasing the dividend to SKr 3.50 a share, from SKr 2.81 in 1982, and also propose a one-for-four scrip issue.

The group's pre-tax result, before appropriations, was SKr 785m in 1982 when it posted SKr 364m in extraordinary income from a licensing agreement with Merck in the U.S.

Astra predicts 1984 sales will grow by 10 per cent, and earnings by 20 per cent.

Amfas repeats loss despite forecast of return to black

BY WALTER ELLIS IN AMSTERDAM

AMFAS, the Dutch insurance group which is being taken over by Nationale Nederlanden, the biggest Dutch insurer, suffered a net loss of about Fl68m ($21m) last year, the same as in 1982.

The latest loss, disclosed yesterday by Nat-Ned, comes despite widespread restructuring and contrasts with an official forecast in mid-October of earnings of Fl 6m for 1983.

Just before the October forecast was made, the three-man board of management of Amfas resigned, saying it had no faith in the future direction of the company. A few days later the company said it was on target for profit.

For the first half of 1983, Amfas posted a net profit of Fl 3m. By late November, no further forecasts were given out but, in spite of continuing losses in the troubled property division, restructuring was said to be going well.

Nat-Ned's statement yesterday confirmed that Amfas' life and accident businesses had shown improvement and added that returns of investments were likely to be higher than in 1982. Mr J. H. Ubas, an Amfas financial director, said that following the abrupt change of management late in the year, it was decided to make much higher provisions against future losses than had been expected.

Mr H. J. Van Bussel, the new Amfas chairman, said recently in a Dutch newspaper interview hat things were going badly and that without the help of Nat-Ned, solvency problems could lie ahead.

The new board of management has urged existing shareholders to accept the Net-Ned bid, which consists of half of one of its own shares plus Fl 70 for each outstanding Amfas share. Nat-Ned already owns 40 per cent of Amfas equity and intends to permit its forthcoming acquisition to operate independently under present management.

Earlier this week Amfas said it had sold Eerste Hollandsche, which specialises in the life market, for Fl 30m.

● Consolidated Foods of Chicago is about to complete a deal that will give it 93 per cent of the shares in Douwe Egberts, the Dutch-based tea, coffee and tobacco group. The U.S. company already holds 65 per cent of Douwe and will increase its stake in return for the transfer to Douwe's control of Intradal, a Dutch toiletries subsidiary. The remaining 7 per cent of Douwe shares not acquired by Consolidated will remain in hands of the Dutch founding family.

Fresh talks on Ambrosiano unit

BY ALAN FRIEDMAN IN MILAN

ISTITUTO BANCARIO San Paolo di Torino, one of Italy's largest banks, is understood to have held talks concerning the possible purchase of a majority stake in Credito Varesino, the Lombardy regional bank controlled by the Nuovo Banco Ambrosiano group.

Credito Varesino is one of the plums inherited by Nuovo Ambrosiano when it received control of La Centrale, the financial holding company which holds a 39 per cent stake in Varesino as well as control of another private Northern Italian bank, Banca Cattolica del Veneto.

Until recently it had been expected that Banca Cattolica would take control of Varesino, in what would have been largely an intra-group transaction. But the Nuovo Ambrosiano group and its La Centrale subsidiary are eager to raise funds to counter more than I150bn ($91m) of La Centrale debts stemming from the days when it was controlled by the late Sig Roberto Calvi. The price of a majority stake in Varesino could be more than L150bn.

Although San Paolo di Torino is one of the few major banks with sufficient ready cash to complete the Varesino purchase, there could be significant opposition from other members of the seven-bank pool which owns Nuovo Ambrosiano. San Paolo di Torino, along with two other public banks, has a 16.6 per cent stake. Four private banks hold the remaining 50 per cent.

Acquisition of Credito Varesino, which has more than 60 branches in the area north of Milan, would help San Paolo to consolidate its regional strength in Piedmont, Liguria and Lombardy. But for this very reason the deal could be opposed by politically influential Milanese banks. It would also require Bank of Italy approval.

Aside from San Paolo, at least one other of the seven "pool" owners of Nuovo Ambrosiano is said to be interested, as are one or two American banks. Sig Giovanni Bazoli, chairman of Nuovo Ambrosiano, said last month he expected the sale of Credito Varesino to be completed by the end of February.

Lower interest rates give PKbanken a boost

BY DAVID BROWN IN STOCKHOLM

PKBANKEN, the large Swedish state-owned commercial bank, has reported a big leap in 1983 profitability helped by lower interest rates.

Group operating results climbed 45 per cent to SKr 1.4bn ($180m) from the SKr 988m achieved for 1982. The return on group equity grew from 14.7 per cent to 19.5 per cent.

Total bank income climbed 26 per cent or SKr 709m to SKr 3.4bn, with net interest income up 25 per cent to SKr 2.8bn. Fee earnings from securities trading as well as foreign exchange grew 33 per cent to SKr 523.5m. Costs increased at the slower rate of 17 per cent to SKr 2.1bn.

Total group assets improved by SKr 5.9bn to SKr 123.3bn. PKbanken was able to reverse the three-year decline in equity and reserves as a percentage of total assets, restoring that ratio to the 5.8 per cent last noted in 1980.

The group's finance subsidiary, PKfinans, performed well against the general trend in Sweden, while the foreign joint ventures in New York, Singapore and Hong Kong did not meet expectations, bank officials said.

The group suffered a serious setback last autumn when a planned public share issue was delayed in the wake of a political scandal which forced the removal of the bank's chairman Mr Lars Sandberg.

PKbanken now hopes to move ahead with the share issue in two stages: raising some SKr 168m in the spring, followed by a second stage raising SKr 296m in the autumn.

PKbanken, one of Sweden's top three commercial banks, has in the last few years been overtaken by its private sector rivals S-E Banken and Handelsbanken in terms of assets.

Sharp gain for Privatbanken

By Our Copenhagen Correspondent

PRIVATBANKEN, Denmark's third largest commercial bank, reported record group net profits for last year of DKr 1.31bn ($135m) compared with DKr 285m for 1982. Pre-tax profit was DKr 2.1bn, up from DKr 426m previously.

During 1983, the bank realised on its own holding of bonds an average yield of 39.9 per cent, including profits due to appreciation. Total lending by the Privatbanken group rose by 18 per cent to DKr 24bn by the end of the year, while the consolidated balance sheet increased by 43.7 per cent to DKr 57.9bn.

The bank is to pay an unchanged 15 per cent dividend and share capital is to be increased by DKr 129m, or 20 per cent of nominal capital.

Total assets of Privatbanken's branches in New York and the Cayman Islands were DKr 5.8bn

Weserhutte buys unit of Creusot Loire

By Jonathan Carr in Bonn

A LEADING West German manufacturer of mining and mechanical handling equipment, PHB Weserhütte (PHW) has acquired control of a French company in a move which it believes will greatly strengthen its international business generally.

PHW's chairman, Herr Peter Jungen, announced yesterday that his group had taken a controlling stake in Delattre-Levivier, a materials-handling subsidiary of the Creusot-Loire concern.

Delattre-Levivier's activities are being drawn into a new company of which PHW will hold 65 per cent and Creusot-Loire 35 per cent. No price is being given for the transaction.

Herr Jungen stressed that the stake in Delattre-Levivier, which has an annual turnover about DM 100m ($38m) would not only boost his group's position on the French domestic market and in the French-speaking world.

It would also bring broad international co-operation between PHW (annual turnover in 1982 about DM 1.2bn) and Creusot-Loire's parent group, Empain-Schneider (turnover about DM 14bn).

In particular, PHW stood to gain access to materials handling business arising from Empain-Schneider's international activities in industrial plant building, port construction and so on.

Herr Jungen also noted that PHW would be able to gain still greater benefit from French export financing facilities, which are more favourable than those available in West Germany.

PHW is already represented in France by one major subsidiary, Someral, and three other smaller companies.

Dublin Gas finance plan

By Brendan Keenan in Dublin

THE DUBLIN Gas Company has revealed details of its refinancing package to enable the company to take supplies of natural gas. The package provoked a row in the Irish Government and led to the resignation of a Labour Minister, Mr Frank Cluskey, who felt it represented too great a commitment by the state to a private company.

The plan, which will be put to stockholders on March 16, allows for bank loans of I£60m ($71m) and the issue of I£10m of index-linked loan stock and convertible loan stock, representing 25 per cent of the equity of the company.

The big benefits come from government loans and cheap gas to enable the company to expand the gas market in the Dublin area and carry out conversion and extension of the network.

The Government will guarantee loans of I£10m to the principal contractor involved in the first phase of conversion while the state gas company, BGE, will provide up to I£25m in loan facilities.

Porsche defends U.S. distribution plans

BY JOHN DAVIES IN STUTTGART

PORSCHE, the West German sports car maker, yesterday strongly defended its decision to set up its own computer-linked distribution centre in the U.S., but held out an olive branch to any dissatisfied U.S. car dealers.

Herr Peter Schutz, the German-born American who is Porsche's chief executive, said the initial reaction of some U.S. car dealers was exaggerated and emotional. Porsche, however, was willing to reconsider the financial terms being offered if any dealer could show they were uneconomic.

At the end of August Porsche is leaving the joint U.S. distribution system which it has operated with Volkswagen's Audi subsidiary since 1970.

It is setting up its own company to import Porsche cars into the U.S., which is its biggest market, accounting for 20,200 of the 44,800 cars sold last financial year.

Porsche has offered to co-operate with the 320 dealers in the VW/Audi network. But dealers have voiced concern because Porsche wants them to act as agents, selling cars for 8 per cent commission rather than taking cars on a franchise basis for resale to customers.

They are also worried about competition in both sales and repairs from 40 branches which Porsche is setting up in strategic parts of the U.S.

Herr Schutz said each agent would have to buy an IBM personal computer—which he described as a modest investment of $4,000 to $5,000. This would link him to a national computer system showing the availability of Porsche cars for the U.S. market. The Porsche branches would also be part of the computer network.

The computer would show whether a car meeting a customer's exact requirements was available in the U.S. and if not, when it could be built and delivered from West Germany.

Herr Schutz said that some Porsche cars would be imported through Oakland, California and transported for storage at the company's new headquarters in Reno, Nevada. An east coast site had still to be chosen.

Agents would no longer have to finance stocks of cars and would have an advantage over Porsche's own branches by doing trade-in deals involving other makes of car.

Herr Schutz brushed aside reports that dealers were considering legal action to retain the franchise system. He said Porsche had carefully studied its plans and believed they had a solid basis.

INTL. COMPANIES & FINANCE

India's industrial feudalism under fire

BY JOHN ELLIOTT, SOUTH ASIA CORRESPONDENT, IN NEW DELHI

A FIELD MARSHAL, several senior industrialists and some retired top civil servants face the sack from the board of one of India's largest companies. This is the outcome of the latest round of a year-long battle over investments made in New Delhi by Mr Swraj Paul, an Indian-born industrialist who lives in London and controls the British Caparo group.

Mr Paul, a close confidante of Mrs Indira Gandhi, the Indian Prime Minister, has invested $13m in two of India's most successful Delhi-based companies. Escorts makes tractors, motorcycles and other engineering products, while DCM (Delhi Cloth and General Mills) has diversified from textiles into areas such as electronics and automotive products.

The investments made from early last year have had wide ramifications. They have helped to undermine the credibility of a government scheme for investments by non-resident Indians and have raised questions about the role, reliability, and political independence of government-owned financial institutions, which hold 70 per cent of India's private sector companies.

They have also opened a debate about the often feudal style of management of family-controlled companies in a developing country unused to controversial take-overs.

The powers of patronage enjoyed by those close to Mrs Gandhi have also been questioned. Allegations have been made that Mr Paul has been investing either Mrs Gandhi's own money or funds of her political party, Congress I. Mr Paul denies this.

The families controlling Escorts and DCM have refused to register Mr Paul's shares, alleging irregularities in the share purchases. They fear the motives and clout of a man so close to the centre of Delhi power as Mr Paul and are worried by his ability to upset their fiefdoms.

Bitter battle

Mr Harry Nanda, the 67-year-old founder of Escorts, which he has built up to annual sales of $280m and after-tax profits of $12m, faces the risk of losing family control of his company. The battle between him and Mr Paul has become so bitter and personal that no compromise is in prospect. The Ram family, which controls DCM has made the battle less personal and, it is widely believed in Delhi, may eventually come more easily to a compromise.

The story started a year ago after the Indian government introduced in its 1982 budget tax and other inducements to attract investments from Indians living abroad. These would help the country's balance of payments. Some $2.4bn has since flowed in from non-resident Indians—mostly in commercial bank deposits.

Escorts and DCM decided to oppose Mr Paul, who then used his political and public relations clout to attack them and the Indian business establishment, which rose to their defence. But he failed to persuade the Indian government to force the financial institutions to make the companies register the shares.

The families controlled Escorts and DCM with small holdings.

Mr Harry Nanda only had about 6 per cent of Escort shares, although he can now count on 18 per cent or more to support him. Financial institutions hold 54 per cent (a figure which has failed to reduce with a proposed share issue and a merger with a subsidiary). Mr Paul owns 7.5 per cent.

In DCM, the financial institutions have 45 per cent, Mr Paul 13 per cent and the Ram family 18 to 20 per cent. But brothers of Mr Paul living in India, where they run the Apeejay group of industrial companies, have also bought between 1 and 3 per cent in each company.

At the end of December the situation was escalated by Mr Nanda who, fearing the government was about to order him to register the shares with a parliamentary ordinance, took the Reserve Bank of India to court, an unprecedented act. In return the Life Insurance Corporation acting it is believed on government instructions, used its power as a major institutional shareholder to call an extraordinary general meeting to oust the field marshal and his fellow non-executive directors, who include a former defence ministry secretary and comptroller general.

If the Bombay High Court decides next Tuesday there are cases to be answered on these issues the matter could drag on for months, if not years. This would probably suit Mr Nanda, who probably hopes that Mr Paul will tire of having $13m tied up in unregistered shares. Mr Paul's influence might also wane if Mrs Gandhi emerges politically weaker from the next general election.

Codes of conduct

If the cases do not go ahead, the existing non-executive directors will be removed soon and replaced with institutional nominees who will presumably immediately register Mr Paul's shares, effectively giving him potential control. Mr Paul would then probably want his Calcutta-based brother, Mr Surrendra Paul to become chairman, as he has at the North-East tea plantations bought by the family in 1980.

Meanwhile industrialists are threatening to reduce their reliance on government-controlled institutions for finance whenever possible. And the government is considering introducing codes of conduct for company takeovers and for the powers and responsibilities of institutions.

Strong interest in HK issues

BY ROBERT COTTRELL IN HONG KONG

HONG KONG stockbrokers are confident that the latest local new share issue, by an electronics company called Elec and Eltek (EE), will be heavily oversubscribed.

Their confidence is helped by the fact that a "grey market" is already quoting HK$3 per EE share, compared with an issue price of HK$2. EE does not issue its prospectus till February 28, and the offer does not close until March 2.

EE is the sixth new issue to come to the Hong Kong market since July last year, when Hong Kong began to recover from its equities collapse of late 1982. Apart from one TV station, all were industrial stocks, a sector back in fashion with local investors. All were priced on earnings multiples of just under seven. The five were between 3.6 and 24 times oversubscribed.

Two of Hong Kong's three major stock markets said that they wanted the HK$225m (US$ 2[illegible]m) EE issue to be priced relatively cheaply to ensure its popularity. Wardley and Jardine Fleming, merchant banking advisers to EE, both say they would have been happy to underwrite the issue at a higher price. Mr David So, chairman of EE, acknowledges that there were "arguments" about the pricing of the issue.

Brokers and merchant bankers say that some local stock exchange officials have been encouraging cheap pricing of new issues in order to bring investors into the market and assist the recovery. In doing so, the exchanges may have been stepping beyond their official duty, which is to ensure that there is sufficient public interest in a stock to justify its public listing.

There is general agreement, however, that the pricing-down of EE has been overdone. For the year to June 1984, EE forecasts net earnings of HK$105m—more than double the HK$40m achieved the year before, in turn almost double the HK$21m seen in the year to June 1982. Despite this record, it is going out on an earnings multiple of 7.4—cheaper than the 33 constituents of the Hang Seng Index which, according to stockbrokers De Zoete and Bevan, are trading on a prospective earnings multiple of around nine.

The EE offer comprises 90m new shares to be issued by the company, plus 22.5m shares to be sold by its founders—equivalent in total to 25 per cent of the company's enlarged share capital. At HK$2 per share the offer will raise HK$225m.

Good first half for Australian property group

By Michael Thompson-Noel in Sydney

LEND LEASE, the leading Australian property group, reported a 25.3 per cent improvement in interim net profit for the six months to December 31, to A$16.9m (U.S.$15.9m).

The interim dividend is a steady 8.75 cents a share, covered by earnings of 21.2 cents a share, against 17.8 cents a share previously.

There was an extraordinary gain of A$10.7m, mostly attributable to a revaluation of its 49.7 per cent holding in the MLC group.

Tax was A$3.5m higher at A$16.9m, while interest payments, rose 36 per cent to A$2.6m.

● Elders IXL has advised shareholders of Carlton United Breweries that its original offer of six of its own shares plus A$12.20 for every 10 fully paid CUB shares will close on February 27. Its alternative on market cash offer of A$3.82 a share will remain open until March 27.

● Potter Partners, the Australian brokers, have dropped legal proceedings against the National Companies and Securities Commisison, instituted after the watchdog agency had declared the firm's conduct "unacceptable" in connection with the takeover battle for Cascade Brewery last month. The NCSC, in an exchange of letters, has in effect withdrawn its complaint after being assured that Australian takeover rules will be amended.

Matsushita profits rise 16%

By Yoko Shibata in Tokyo

MATSUSHITA Electric Industrial, Japan's largest manufacturer of consumer electric and electronic products, and its 83 consolidated subsidiaries lifted full year earnings by 16 per cent to Y182.7bn ($783m), in the fiscal year ended November 20, 1983.

This reflects double digit sales growth both in video cassette recorders and office automation equipment.

Full year sales were Y3,988bn, up by 9 per cent from the previous year. Net profits per share were Y116.29, as compared with Y100.79 in the previous year.

Overseas sales were 10 per cent higher accounting for 46.6 per cent of total turnover, reflecting an improvement in overseas market conditions in the second half, particularly in the U.S.

Domestic sales advanced by 8 per cent to reach Y2,127.9bn. Sales of VCRs and colour TVs improved by 9 per cent to account for 36 per cent of the total turnover.

A significant improvement was reported in sales of communications and industrial equipment, up 27 per cent.

In the current year ending November 20, 1984, VCR sales both overseas and in the domestic market are expecting a boost in demand from Los Angeles Olympics.

Record sales at Asahi Glass

By Our Tokyo Correspondent

ASAHI GLASS reported record parent company sales and pre-tax profits in the fiscal year ended December 31 1983. Full year pre-tax profits surged by 14.6 per cent to reach a record Y46.53bn ($199.5m). Full year net profits were 2 per cent higher at Y23.1bn, on sales of Y541.1bn, up by 7.2 per cent. Net profits per share were Y22.33, compared with Y23.05.

Glass sales, which account for 54 per cent of the total, increased by 7 per cent.

For the current fiscal year ending December 1984, Asahi Glass expects its full year pre-tax profits to reach Y50bn, a 7.4 per cent rise, and net profits to reach Y25bn, an 8.2 per cent rise. Full year sales are expected to rise 7.1 per cent to Y580bn.

ICI up to £619m and pays 24p

THE IMPROVED pattern of trading continued throughout 1983 at Imperial Chemical Industries. Fourth-quarter pre-tax profits more than trebled from £56m to £174m, making £619m for the full year, against £259m previously, on total sales £0.9bn higher at £8.26bn.

Earnings per £1 share climbed from 24.2p to 65.3p for the 12 months and the dividend total is lifted by 5p to 24p net with a second interim, in lieu of final, of 14p (10p).

At the trading level, profits increased from £366m to £683m, after depreciation up by £36m to £436m. Pre-tax figures were after charging interest of £135m (£146m), but included associates' contributions less amounts written off investments of £61m (£39m).

Tax charge rose from £92m to £201m, minorities took £21m (£22m) and with extraordinary debits accounting for £19m this time, net profits came through at £378m, compared with £145m. Dividends absorb £147m (£115m).

Extraordinary items comprised a £40m provision, representing the remaining book value of ICI's 37½ per cent equity stake in the Corpus Christi Petrochemical Co and related facilities in the U.S., less the profits arising on various divestments, including the U.S. oil and gas interests.

Group chemical sales in the fourth quarter were 11 per cent higher than the preceding three months at £1.97bn. Volume rose by 8 per cent, prices by 2 per cent and currency movements increased sales values by a further 1 per cent.

HIGHLIGHTS

Lex examines the Inland Revenue's decision to tax building societies on capital gains in the gilt-edged market as income at full corporation tax rate. ICI produced its full-year figures yesterday, where profits at £619m were a little behind the estimates which had been bouncing forward in recent weeks. Even so the group is well on the road to making £850m for the current year. The column then turns its attention to Beecham which spent £43m on buying control of an Italian pharmaceuticals company, giving it access to the fifth largest drugs market in the world. Finally Lex looks at the third-quarter figures from Plessey, which show profits of £44m, against £35m, with growth spread evenly among its major operating divisions.

The improvement in worldwide petrochemicals, plastics and fibres, together with a strong fertiliser performance, more than offset the seasonal declines in agrochemicals and paint. The performance in all other group business sectors was similar to the first nine months.

A breakdown of 1983 trading profits by business sector shows: agriculture £174m (£158m); colours, polyurethanes and speciality chemicals £10m (£18m loss); fibres £7m loss (£25m loss); general chemicals £107m (£60m); industrial explosives £26m (£33m); oil £93m (£73m); paint £26m (£32m); petrochemicals and plastics £7m loss (£139m los); pharmaceuticals £199m (£138m) and miscellaneous £5m (nil) making £626m (£302m). Oil profits were after provision for petroleum revenue tax of £148m (£183m including supplementary petroleum duty).

Inter-sector eliminations produced a £3m debit (£4m credit), but royalty income added £42m (£35m) and Government grants, £28m (£25m).

Chemical sales for the year were £7.45bn, an increase of £1.02bn (16 per cent), of which sales decreased by £118m (13 per cent) to £808m.

Sales and profits from pharmaceuticals increased substantially for the third successive year and good profits continued to be made in the agriculture, oil and paint sectors.

Trading conditions remained difficult in many of the commodity chemicals businesses, but general chemicals improved considerably. Although petrochemicals and plastics made a loss for the year, the return to profits in the second half was particularly noteworthy, even though the level of profitability is still far too low, the directors state.

The fibres and colours sectors also performed better.

Most of the group businesses have undergone considerable internal restructuring and are better placed to continue to benefit from an improvement in the economic environment.

A geographical split of profits shows: UK £390m (£176m); Continental Western Europe £49m (£4m loss); The Americas £114m (£53m); Australasia and the Far East £64m (£72m); Indian subcontinent £25m (£21m) and other countries £2m (£1m loss) making £644m (£317m).

Expenditure on tangible fixed assets increased from £292m to £361m, while acquisitions and new investment amounted to a further £70m (£94m), including investments in agriculture and chemicals for the electronics industry.

A number of divestments were made which realised £167m (£54m), including the sale of ICI's interests in Fiber Industries Inc, the U.S. oil and gas activities and Vantona Viyella.

The opportunity was also taken to raise funds in the Eurodollar and Canadian domestic markets, although loan repayments exceeded new loans by £137m. In addition, short-term borrowings were reduced by £202m and cash and short-term investments were increased by £19m.

The group's trading results for the first quarter of 1984 will be announced on April 26.

Mr John Harvey-Jones, the chairman, said later that he was reasonably encouraged by the current quarter. "We shan't disappoint. It will be a good first quarter by any standards."

See Lex

Guildhall Prop. £0.62m at halfway

Interim taxable profits of Guildhall Property Co. rose from £555,000 to £621,000 and it is anticipated that full year profits will amount to about £1.2m.

Net rent and other income for the period to December 31 1983 totalled £718,000, compared with £650,000. Depreciation was £1,000 (same) and administration expenses took £40,000 (£37,000).

Tax absorbed £302,000 (£276,000), giving earnings per share of 5.14p (4.49p).

No part of the costs incurred in connection with the offer by Slough Estates is included in the results. As already reported, the offer by Slough has closed with it accounting for 97.92 per cent of the ordinary.

There is no interim dividend. Last year's 0.75p payment was followed by a final dividend of 5.25p.

House sales lift Ward Holdings

AN UPSURGE in the profit on house sales has lifted the group profit of Ward Holdings from £836,000 to £2.72m in the year ended October 31 1983. The dividend is raised from 4.2p to 5.19p net with a final of 4p—the first increase for four years.

The directors expect stable conditions to continue throughout the current year in private house building, and will hope to build on the improvement achieved last time. All other divisions showed better returns with the exception of manufacturing, which turned in a loss.

Turnover for the year rose by £5m to £18.11m. A split of the profit shows house sales £2.65m (£428,000), plant hire £101,000 (£11,000), merchanting £5,000 (£1,000), manufacturing loss £368,000 (profit £156,000), property £332,000 (£240,000). After tax £363,000 (£137,000), the net profit was up from £699,000 to £2.36m. Earnings per ordinary share were 26.9p.

The directors state that industrial property for investment remains relatively depressed, but the company has continued operations and is adding to its portfolio cautiously.

Planning negotiations in respect of three sites suitable as retail outlets have proceeded, and permissions have been obtained for a 20,000 sq ft supermarket at Pembury and for 15,000 sq ft of sales area at Rainham shopping centre.

An appeal to increase the permissible size of the site at Maidstone in respect of a proposed 50,000 sq ft supermarket is under way.

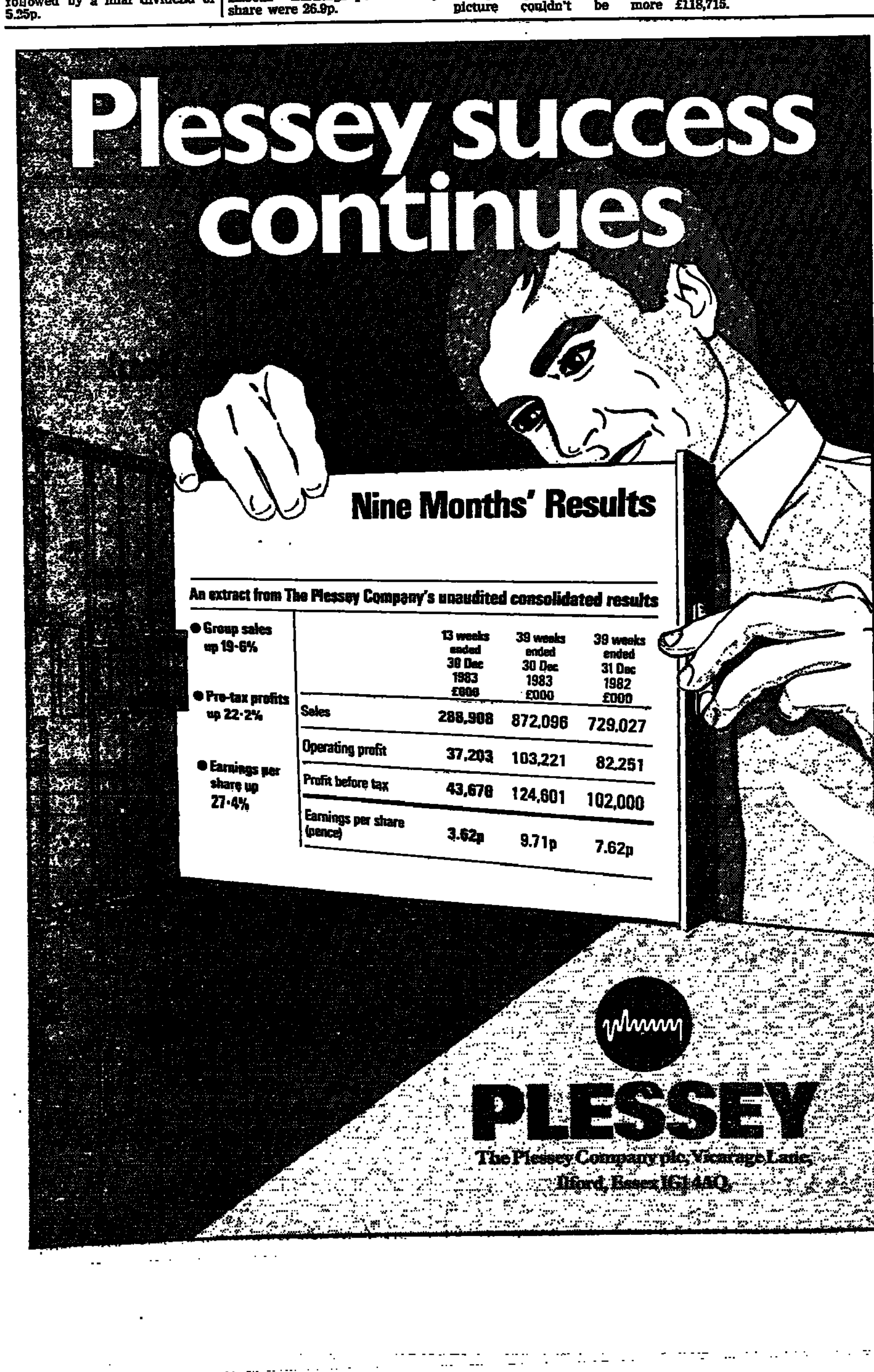
● comment

Although good results have been on the cards ever since the interims — and Ward has not disappointed—it is the speed of the recovery that impresses. Only 18 months ago demand for houses in the north Kent area was hardly inspiring. Today, the picture couldn't be more different—with house-buying up by around a fifth—and Ward has responded to the upturn by going slightly upmarket, where margins are better. The only blot on the copybook is the new powder coating company which, with one of the newest plants of its kind in Europe, is at the bottom of its learning curve. The starting-up costs involved here account for the manufacturing division's losses, which could go on for some time yet. The shares rose 10p to 92p where the p/e is 4.8 (stated earnings) and the yield is 8.4 per cent.

Weber

Investment and property holding group Weber Holdings is raising its dividend by 2p to 24.5p net for the year 1983. The final payment is 19.5p.

After a lower tax charge of £84,278 (£91,159) the net profit has improved from £107,825 to £118,715.



Ault rejects but Sun to buy at 46p in market

By Terry Garrett

SHAREHOLDERS in Ault & Wiborg rejected a scheme of arrangement yesterday which was pivotal to a 46p per share cash offer from Sun Chemical Corporation of the U.S. But Sun, which already holds 48 per cent of Ault, seems almost certain to gain control of the British specialist chemicals, inks and paints manufacturer.

Instead of a straightforward bid Sun intends to stand in the market and offer to buy shares at 46p. The shares closed 3p up at 47p.

After abortive talks earlier last year Sun launched an agreed offer valuing Ault at £4.7m just before Christmas. Despite the backing of the board a groundswell of opposition among outside shareholders defeated the scheme yesterday which would have paved the way for the bid.

After a meeting lasting 90 minutes a vote was taken with 4,080,608 shares voting in favour and 2,465,436 shares standing against the scheme. Sun could not vote with its holding, leaving only 10.2m shares with a valid vote yesterday.

Mr Christopher Strang, Ault's chairman, said he was disappointed that the scheme did not go through but felt that the outcome was a good solution.

Having advised shareholders to accept a 46p-a-share bid he felt morally obliged to offer his shares to Sun through the market, but he intends to retain a nominal amount so he can vote.

Mr John Harkness, a partner of brokers Earnshaw Haes, who had been seen as one of the leading figures among dissident shareholders, said that after the vote he and others had asked Ault's directors to meet with their shareholders and discuss the company's future. "We wanted to be constructive rather than destructive." But Sun's decision to buy through the market pre-empts any discussions.

"There is no option for shareholders now other than brave it out over the next few years or sell in the market," said Mr Harkness. "My client is a man of principle. I suspect he will hold on and be a thorn in the side of Sun for some time." Mr Harkness acts for two family trusts which hold around 6 per cent of Ault's equity.

Meantime, Sun is going to enter into discussions with Ault's directors "on the appropriate means" of funding future requirements.

Loss-making Ault is understood to be close to its borrowing limits. Mr Strang explained that: "We require additional finance and as we enter negotiations with our bankers. Sun will stand behind us in some way, to offer some comfort to our bankers."

Ault also released its full year figures for 1983, confirming its earlier forecast. On sales up from £60.4m to £68.2m pre-tax losses have increased from £98,000 to £207,000. The figures are struck after provisions against Nigerian activities of £400,000 (£50,000) and redundancy and closure costs of £569,000 (£701,000) and including profits on the sale of a business nil (£100,000). The interest charge is up from £1.53m to £1.05m.

There is no final dividend, against a payment of 0.5p, leaving the full year payout at 0.5p compared to 1.25p.

BPM benefits from sharp turnround in newspapers

WITH ITS newspaper publishing interests moving sharply back into the black over the six months ended December 31, 1983 BPM Holdings pushed its pre-tax profits for the period up from £533,000 to £1.37m.

Shareholders benefit with a 0.2938p rise in their interim dividend to 1.875p net per 25p share, the first rise at this stage since 1980.

Turnover for the opening 26 weeks expanded from £45.41m to £47.77m and at the operating level profits totalled £1.6m, compared with £910,000 previously. The group's newspapers include the Birmingham Post, Birmingham Evening Mail and Sunday Mercury. It also publishes a string of local newspapers and operates a chain of newsagents and confectioners.

The interim report reveals that while the going "is still pretty tough" in the West Midlands, the group's newspapers there benefited from slight increases in advertising volumes.

It adds that the newsagent business showed a "healthy" increase in profits and Supercards, while still incurring losses, is meeting targets for recovery.

A divisional breakdown of the taxable result shows: newspaper publishing £693,000 (£334,000 loss), retailing £539,000 (£689,000) and related companies £141,000 (£178,000). Interest and similar expenses accounted for £534,000 (£622,000).

The profit before tax for the first half of 1982-83 included £34,000 from West Midlands Envelopes. After its sale to Chapman Industries last August in exchange for a 15 per cent equity interest in Chapman, the appropriate contribution from the latter has been included in this latest half-year's figures as part of income from shares in related companies.

Since the end of the half year the group has announced plans to transfer the printing of its weekly newspaper from Walsall to Birmingham. It has also purchased a further 5 per cent of Chapman Industries, bringing its total holding in the company to just over 20 per cent.

Tax for the six months took £850,000 (£373,000) and minorities £7,000 (£3,000 credit)—extraordinary debits last year accounted for £338,000.

Earnings emerged at 24.8p, against 3.9p, per share.

For the 1982-83 year the group, which is controlled by the Iliffe family and its trusts, reported pre-tax profits of £1.36m and paid a final dividend of 4.19375p.

● comment

The improvement at BPM which started in the second half of last year has spilled over into the first six months of the current period. In the context of past glory, the group is still operating at half the pace of the late 1970s, but at least the payroll is now more in keeping with the potential market. Basically, the group's catchment area in the West Midlands is still very depressed, with the most important newspaper in the group showing a fractional drop in circulation and only a small increase in advertising volumes. The logic of the improvement can, therefore, be attributed almost entirely to the belated savings from the near 100 redundancies over the past 18 months, a scenario which could be repeated when the group transfers printing of its weekly newspapers from Walsall to Birmingham. First, though, there will be the redundancy costs to carry of perhaps 80-odd more people. On this basis around £3.2m looks possible this year with perhaps a 5 per cent increase in dividend. This puts the shares at 127p, up 16p, on a prospective fully-taxed p/e of around 13 and yield of 7 per cent—a rating which reflects the group's 0.9 per cent holding in the Reuters' goldmine.

Jebsens dives £5.23m: no final

AS EXPECTED, profits of Jebsens Drilling fell significantly over the second six months which left the group £5.23m behind for the full 1983 year at £14.2m. The final dividend is being omitted.

The directors describe the results as "disappointing" and explain that they reflect the expiry in the second half of medium term contracts on two of the group's semi-submersible drilling rigs.

They warn that the year ahead will continue to be difficult.

While there are encouraging signs that activity in the offshore drilling market is picking up, the directors point out that the rigs presently idle and the few new buildings yet to be delivered will have to be absorbed before day rates can be expected to return profitable levels.

It is expected that an upturn in rig rates will begin to occur in the second half of the current year, but over the interim period day rates for short term work are likely to be only "marginally above operating expenses and competition is expected to be severe."

Against this background the directors consider it prudent to conserve cash resources and conclude that it would be inappropriate to recommend payment of a final dividend— the interim was halved to 3.5p net per 25p share. Last year the group paid a total of 17.5p. Its shares are traded on the USM. Dividend payments absorb £560,000, against £2.8m.

Explaining the expiry of contracts the directors say Sinbad Saxon completed her three year contract with Occidental of Britain on July 10 1983, and during the remainder of the year, undertook two short contracts at rates which reflected the depressed state of the market in 1983.

Similarly, Ali Baba completed her term contract with North Sea Sun Oil Company on September 15 1983 and subsequent employment for Occidental was as significantly reduced rates.

The group's other two units, Aladdin and the BP drillship, Pacnorse I continued to operate satisfactorily. Aladdin is under contract to BP until December 1986.

Turnover for 1982-83 totalled £57.45m (£39.42m) and gross profits emerged at £21.52m, against £27.36m. Pre-tax profits were struck after deducting £2.95m (£2.73m) administration expenses, £6.25m (£9.93m) finance costs and adding in exchange gains of £1.87m (£3.73m).

Tax took £6.97m (£7.53m) and minorities £2.31m (£1.93m) to leave £4.92m (£9.97m) attributable to shareholders. Earnings per share dived from 62.3p to 30.7p.

● comment

After making £11.4m pre-tax in the first half and only £2.8m in the second, Jebsens Drilling is now running at a los, tied as it is to the volatile fortunes of the oil industry. Of the five semi-submersibles lying idle in the North Sea, two belong to Jebsens. However, those vessels are waiting for the results of five bids, and contracts are expected to pick up in the summer, although rates will remain highly competitive. Of the drillships, Aladdin is still working for BP, while Pacnorse I looks on track to win a two-well contract offshore Somalia for Shell, albeit at an unprofitable rate. The fact that the mobile rig fleet in the Gulf of Mexico is working at 80 per cent capacity and rising bodes well, since that is likely to attract U.S. competition away from Jebsen's waters. Debt has come down slightly to £62m against shareholders' funds of £38m, but is likely to rise again as the losses continue. Jebsens could be trading profitably by the second half, but a profit for the year seems a remote hope. The shares, meawhile, slipped 15p to 145p, where the yield drops sharply to 3.4 per cent and the multiple is 4.7 on stated earnings.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aaronite‡	1.25	—	—	1.25	—
BPM Holdings ......int.	1.88	April 25	1.58	—	5.78
British Assets ......int.	1.3	April 6	1.2	—	4.9
Foreign & Colonial	1.63	April 6	1.49	2.38	2.24
Guildhall Property	nil	—	0.75	—	6
ICI ......sec. int.¶	14	April 2	10	24	19
Jebsens Drilling	nil‡	—	10.5	3.5	17.5
Newbold & Burton	2.62	Mar. 30	2.38	4.16	3.78
Padang Senang	0.7	—	0.5	0.7	0.5
Plessey ......int.	1.56	May 1	1.36*	—	3.3*
Romney Trust	2.9	April 2	3.1	4.4	4.4
Tor Investment ......int.	3.85	Mar. 30	3.5	—	10.5
Ward Holdings	4	April 5	3.01	5.19	4.2
Weber Holdings	19.5	May 15	17.5	24.5	22.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ In lieu of final.

Bexbuild £2m share offer

Bexbuild Developments, a company formed to carry on the business of property development and contracting in North West England, is seeking to raise a maximum of £2m via an offer of 50p shares at 100p each.

Mr Philip Shapiro, the chairman, says: "I believe this is the first property development company to offer shares to the public and to be granted provisional Inland Revenue approval under the Business Expansion Scheme."

The subscription period will run from February 27 to April 30. Applicants can elect to use their tax relief in 1983-84 or 1984-85 or both.

Prior Harwin Securities has undertaken to maintain a market in the shares which will be dealt in "over the counter."

Initially, Bexbuild will concentrate activity on the acquisition and development of small sites for housing, retail and office use.

The company's stated aim is to concentrate on capital growth and it is unlikely that any dividends will be paid during the first five years. No forecast for first year trading can realistically be made at this stage.

Net proceeds from the issue will be placed on deposit and interest will accrue to the company.

The directors will subscribe for a total of 125,000 shares and will not receive any fees from the company.

Scottish Inv. Tst.

For the three months to the end of January 1984 net asset value at Scottish Investment Trust amounted to 300.7p against 270p after deducting prior charges at par. Gross investment income came to £2.05m compared with £2.1m. Revenue before tax moved down from £1.51m to £1.31m.

In the first quarter the directors say they continued to add to Japanese equities and to build up unquoted holdings which amounted to £17.4m at January 31. At that date they had additional commitments to unquoted investments of £3.8m.

Since January 31 they have sold most of their U.S. Treasury Bonds and invested the proceeds of $8.7m in German government bonds reducing U.S. dollar exposure to 23 per cent of total assets.

They have recently established an American Depositary Receipt (ADR) facility in New York.

Canvermoor

After just 14 months on the USM, Canvermoor, Yorkshire-based soft drinks manufacturer, is moving up for a full listing. At 110p, up 5p yesterday, Canvermoor is capitalised at £4.6m.

Mr Tony Hemans, the chairman, told shareholders at the annual meeting yesterday that it was his intention to apply for a Stock Exchange listing as soon as possible.

Romney Trust

Gross revenue rose by £636,000 to £3.28m at Romney Trust in the 12 months to December 31 1983. Unfranked income totalled £1.92m (£1.36m) and franked income was £1.03m (same). Tax took £931,000 (£759,000) for earnings per 25p share of 4.41p (3.86p).

Net asset value per share at the year end stood at 271.4p compared with 211.6p a year earlier. At the interim stage it was 265.4p.

The final dividend is 2.9p (3.1p) which holds the total payout at 4.4p.

LADBROKE INDEX
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804-808 (−8)
Tel: 01-493 5261

UK COMPANY NEWS

Plessey up £23m at nine months

AN £8.61m advance to £43.67m in pre-tax profit for the third quarter ended December 30 1983 is reported by Plessey. Interest charges were down from £3.83m to £2.49m.

This gives a total profit of £124.6m for the 39 weeks ended that date, an increase of £22.6m over the corresponding period of the previous year. Adjusting for a scrip issue and subdivision, the interim dividend is effectively lifted from 1.358p to 1.561p net.

At the end of 1983 the group order book stood at £1.53bn, net of inter-company content, against £1.33bn a year earlier. Negotiations for substantial System X development and production orders are not yet complete.

Turnover in the third quarter moved ahead from £277.55m to £288.91m. Operating profit came to £37.2m (£28.8m), share of related companies' profits to £1.06m (£1.91m), and investment income to £7.89m (£8.17m).

After interest paid £2.49m (£3.83m), tax £16.59m (£15.4m), and minorities £469,000 (£1.02m), the attributable balance for the quarter came out at £26.61m (£18.66m) and earnings were 3.62p (2.55p) per share.

In respect of the nine months turnover totalled £872m (£729m), operating profit was £103.22m (£82.25m), and the net attributable balance £71.3m (£55.65m) for earnings of 9.71p (7.62p) per share.

Telecommunications' operating profits increased by 4.8 per cent for the nine months to £52.3m. In the U.S., turnover of Stromberg-Carlson main exchanges, acquired on October 1 1982 was £73m on which an operating loss of £4.2m has been incurred in the year to date. In addition, the revenue investment in expanding into private exchanges in the U.S. amounted to £2.3m.

Electronic systems' operating profits rose by 68.6 per cent to £27.9m. An excellent third quarter has contributed to this result, which is due primarily to export-led sales growth in military communications and radar.

Aerospace and engineering increased profit by 34.1 per cent to £11.1m. A good all-round performance was helped by the elimination of losses in the U.S. Microelectronics and components' operating profits improved 13 per cent.

	Nine months 1983 £000	1982 £000
Turnover	†872,096	729,027
Operating profit	103,221	82,251
Telecommunications	52,301	49,886
Electronic systems	27,947	16,574
Aerospace	11,118	8,293
Microelectronics	7,768	6,876
Computer peripherals	*538	*3,005
Group services	4,625	3,627
Related companies	4,588	4,112
Telecommunications	4,448	3,968
Other	140	144
Investment income	23,408	25,884
Interest charges	6,614	10,247
Profit before tax	124,601	102,000
Taxation	51,336	44,400
Minorities	1,962	1,953
Attributable	71,303	55,647

* Losses.

† Analysed as to (in £000): telecommunications £409,395 (£339,805); electronics systems and equipment £284,002 (£219,934); aerospace and engineering £79,776 (£85,395); microelectronics and components £76,778 (£67,199); computer peripherals £22,145 (£16,694).

● comment

It seems that Plessey can do nothing right in the market's eyes these days. Yesterday's third quarter figures were, if anything, boring in their predictability and no one would have complained at a 15 per cent dividend increase paid two months in advance. Yet the shares responded with a 14p fall to 206p. The worries presumably centre on Plessey's telecommunications business, which later this year will begin the difficult transition to electronic public exchanges. Orders for System X seem to be building in line with budget—and Stromberg-Carlson in the U.S. is also performing according to plan—so there seems no reason for undue concern. Meanwhile, the other divisions, with the conspicuous exception of computer peripherals, are all showing respectable growth, even if the cost of developing an optics business is depressing the immediate returns from microelectronics.

Acorn Computer advances 156% despite £2.5m expansion costs

AFTER exceptional charges of £2.5m, relating to start-up costs in the U.S. and Germany, Acorn Computer Group achieved a 156 per cent increase in interim taxable profits from £2.04m to £5.21m.

During the six month period to January 1 1984, turnover jumped to £40.4m against £14.39m, from which operating profits of £5.08m compared with £2.13m were earned. The taxable result included interest receivable of £139,000 (payable £96,000).

Acorn, which went public via an offer for sale by tender on the USM last October, produced profits of £8.63m for the year ending July 3, 1983.

The level of order intake on all products remains at a "record level," the directors state. And the only constraint is caused by the worldwide shortage of standard components.

Nevertheless, the directors say that the group will be able to maintain the current levels of production of the BBC microcomputer during the second half of the year, while anticipating a significant increase in electron production, as additional subcontractors come on stream.

A new research centre based at Silicon Valley in the U.S., has just been established. The results of this investment are now beginning to translate into marketable products, some of which will be available in the next few months.

The move into the U.S. through Acorn Computer Corporation, has been aimed initially at the education market, where there has been an enthusiastic response, resulting in substantial orders.

First sales took place in December, and the board is confident that Acorn Computers Corp will be generating profits for the group before the end of the current year to June 1.

In line with the prospectus forecast, there is no interim dividend but the board intends to recommend a nominal final payment.

Profits were subject to estimated tax of £3.19m (£964,000) and an extraordinary debit of £265,000—being cost of the USM issue. Earnings per share were 2.3p (1p).

● comment

At first sight, Acorn's debut figures as a quoted company are disappointing. After the tripling of profits between last year's first and second halves, this year's first half trading profits—even after writing back the £2.5m exceptional loss—are only 14 per cent ahead of the half imediately preceding. But there were special factors—in particular, the delay in building up production of the Electron, and an acute shortage of standard chips. Thec ontract renewal for the BBC computer seems in the bag, and the U.S. operation could break even for the second half as a whole. At this growth stage, cash flow is still very positive, and very little of the money raised by the flotation has been used up. Graduation to the main market remains in the dateless future, though still in prospect. For the full year, a figure of £15m pre-tax looks possible, though forecasts are necessarily tentaive. With the shares up 5p at 151p, the prospective multiple comes down to around 23.

Aaronite on target with £0.63m

COMPARED WITH the prospectus foreast of not less than £600,000 pre-tax profits of Aaronite Group emerged at £634,000 for the year to October 31, 1983. In the previous year profits totalled £455,000.

The current year has started with considerable activity. In the past, the winter months have been quiet for the group due to adverse weather conditions in the North Sea.

The directors are confident of the continuation of its planned growth and that it will make significant progress in the future.

Aaronite's 25p shares were placed on the USM last year. The group is a specialist contractor and supplier of materials and technology for passive fire protection and insulation to the offshore oil and gas industry and land-based petro-chemical plants.

Turnover for 1982/83 total'ed £6.35m (£6.58m).

Earnings came through 0.6p ahead at 8.3p per share and the dividend for the year is 1.25p net as forecast.

Howard Machinery recovers to £0.76m

FARM EQUIPMENT manufacturer Howard Machinery pushed its pre-tax profits up by £502,000 to £755,000 over the 12 months to October 31, 1983, on sales of £46.08m, compared with £45.83m.

During the year group companies within Europe benefited significantly from rationalisation effected in previous years.

The severe drought conditions which prevailed during most of the accounting period in Australia and South Africa, however, caused major setbacks but with the restoration of more normal climatic conditions sales in Australia are slowly beginning to recover.

In the U.S. market demand was adversely affected by the government's payment in kind programme—a scheme whereby grants are paid to farmers to encourage them to reduce land under cultivation — although there are indications of recovery in this "important market."

Tax for the year under review was reduced by £27,000 to £489,000 which left a net balance of £266,000, compared with a previo deficit of £263,000.

After minorities (£7,000, against £27,000) and extraordinary charges of £1.48m (£2.32m) the group more than halved its available loss to £1.22m (£2.61m).

However, the directors recommend that no dividend be paid in respect of the year—the group last paid a dividend in 1980.

The charge for tax results from profits arising in certain overseas subsidiaries for which no relief can be obtained against tax losses available in other subsidiaries.

The extraordinary debits reflect the costs of reorganisation in Australia of £1.1m, as reported at the interim stage, together with the costs of closure of operations in prior years of £0.4m.

In their interim statement the directors said that the group's business was seasonal with the second six months of the year producing better results than the first.

With first half losses reduced from £519,000 to £146,000 they saw no reason why 1982-83 should be any different. In 1973-74 the group reported pre-tax profits in excess of £4.6m.

Foreign & Col. asset rise

Last year was another good period for Foreign & Colonial Investment Trust, the UK's oldest trust. The main contributory factors were an appreciation of 57 per cent by the Japanese portfolio, an average effective gearing of 12 per cent, and an exposure to the dollar and the yen combined of about 50 per cent.

At December 31 1983 the net asset value had risen to 142.3p, from 136.6p six months earlier, and from 106p at December 31 1982, after prior charges at par. Taking the latter at market value, the values are 143.9p, 138.2p, and 107.7p respectively.

A geographical distribution of the portfolio shows UK 40 per cent, North America 32.6 per cent, Far East 23.8 per cent, and other 3.6 per cent. Year end total assets, less current liabilities, stood at £463.14m (£349.35m) and net assets attributable to the ordinary were £373.89m (£278.56m).

Total revenue for the year rose from £14.48m to £18.51m, of which £7.21m (£7m) was franked. Tax required £3.59m (£3.41m) leaving the net revenue at £6.55m (£6.15m), equal to 2.46p (2.31p) per share. A final dividend of 1.625p is recommended, raising the total from 2.24p to 2.375p, at a cost of £6.33m (£5.98m).

Tor Inv. interim increased

Little change is shown in the pre-tax revenue of Tor Investment Trust for the half year ended January 31 1984, with the figure coming out at £376,000, compared with £383,000 in the corresponding period. But the interim dividend is lifted from 3.5p to 3.85p.

Net asset value per income share was 92.2p at January 31, against 87.33p at July 31 last and 80.9p at January 31 1983. These are shown xd and calculated after prior charges at par. On a like basis, the value per capital share comes to 591.3p, 525.2p and 464.4p respectively.

In the half year, franked income amounted to £290,000 (£265,000) and unfranked to £130,000 (£139,000). Deposit interest totalled £39,000 (£54,000), while charges included debenture interest £5,500 (same) and dollar loan interest £40,000 (£35,000). After tax £132,000 (£141,000) the net revenue is £244,000 (£242,000).

For the whole of 1982-83 revenue before tax was £801,000 and a dividend total of 10.5p was paid.

Scottish Northern

The balance of debenture stock to be issued by Scottish Northern Investment Trust in payment for the acquisition of three private companies will not be part of a vendor placing, but will be held by the vendors.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Compco, Don Brothers Buist, Lister, Charles Sharpe, Stothert and Pitt, Watsham's.

Finals: Allied Leather Industries, Technology For Business.

FUTURE DATES

Interims—	
Australia and New Zealand Banking	May 21
Breville Europe	Mar 9
Berisfords	Feb 29
Coronation Syndicate	Mar 15
Harrisons Malaysian Plants	Mar 8
Scholes (George H.)	Mar 14
Tweefontein Utd. Collieries	Mar 15
Finals—	
Guest Keen and Nettlefolds	Mar 14
Kennedy Brookes	Mar 1
Steetley	Mar 12

Saxon Oil foresees boost from Forties

AN OPERATING profit of £115,479, against a £167,939 loss, was earned by Saxon Oil in the six months ending December 1983. And, after interest, profits at the taxable level expanded from £85,377 to £422,011.

Turnover rose to £139,049 compared with £40,882.

Saxon, which is traded on the USM, says that turnover is *expected to show an increase to* well over £3m in the next six months. Also, it expects to participate in up to nine wells offshore and up to four onshore UK during 1984.

The increase in turnover will result from Forties crude oil and gas, following Saxon's acquisition of a share of 0.25 per cent in the Forties Field with effect from January 2.

Saxon now has around 1,100 barrels per day of gross oil production.

An administrative refund this time of £320,000 from Santa Fe, following the farm-out of a 20 per cent interest in Block 16/8B, enhanced the taxable result.

Administration expenses totalled £206,184 (£122,386) and abortive exploration costs were lower at £1,937 (£36,693). *Realised exchange gains* added £6,596 (£31,261).

Development over the last six months is described as substantial. A successful appraisal well on the find in Block 16/8B, the purchase of a share in Forties, and the agreed acquisition of 15 onshore UK and two offshore UK licences from Moray Petroleum Holdings and Development were made.

This has moved Saxon closer *to establishing the commerciality* of its oil discovery and becoming a balance exploration and production company, the directors say.

The company has exercised an option to limit to 20 per cent the extent of the farm-out on Block 16/8B to Santa Fe, which means that it will now finance directly 10 per cent of the future costs.

It will benefit by retaining access to a greater proportion of the oil and gas reserves.

Overseas, Saxon acquired a 15 per cent interest in two French onshore licences, from Moray. It is continuing to develop exploration *opportunities in* the U.S. on a small scale.

In Dubai the consortium, headed by Taylor Woodrow Energy, has completed seismic interpretation and is seeking *partners before commencing* optional drilling.

Decline in Abingworth net asset value to 315p midway

A DECLINE in net income from £157,109 to £144,515 has been *shown by Abingworth for the* six months to the end of 1983 compared with the six months to the end of June 1983. Net assets per 10p share came through down from 340p to 315p —*at the end of last September* the figure amounted to 310p.

For the whole of 1982 net profits came to £418,563.

Commenting on the outlook, Mr Anthony Montagu, chairman, *says that* in the early part of 1983, the pricing of some early stage venture investments reached levels which he describes as unrealistic. In recent months it has been possible to negotiate more satisfactory terms

At the end of *December 1983*, the aggregate value of the three largest shareholdings, Apple Computer, Standard Microsystems and DCA, amounted to £21.2m (33.1 per cent of net *assets) compared with £28.6m* (41.5 per cent) at June 30 1983, the main change being a decline in the market price of Apple.

Earnings per share for the six months were 0.7p (0.9p for half year to June 30 1983).

No interim dividend is declared, but the directors intend to declare a final for the year to the end of June 1984.

BANK RETURN

BANKING DEPARTMENT

	Wednesday February 22 1984	Increase (+) or Decrease (—) for week
	£	£
Liabilities		
Capital	14,553,000	—
Public Deposits	52,001,463	— 689,635,745
Bankers Deposits	609,321,023	— 168,289,721
Reserve and other Accounts	1,427,734,891	+ 56,180,583
	2,103,610,377	— 801,744,883
Assets		
Government Securities	369,173,298	— 19,115,000
Advance & other Accounts	558,219,476	— 32,145,761
Premises Equipment & other Secs.	1,167,895,564	— 748,726,796
Notes	8,153,425	— 1,750,935
Coin	166,614	— 6,391
	2,103,610,377	— 801,744,883

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	11,420,000,000	+ 10,000,000
In circulation	11,411,846,575	+ 11,750,935
In Banking Department	8,153,425	— 1,750,935
Assets		
Government Debt	11,015,100	—
Other Government Securities	1,425,481,313	— 296,843,233
Other Securities	9,983,503,587	+ 306,843,233
	11,420,000,000	+ 10,000,000

BIDS AND DEALS

Vantona gains over 60% of F. Miller with £14m offer

BY RAY MAUGHAN

Vantona Viyella, manufacturer of sheets, shirts and uniforms, yesterday emerged as the new bidder for F. Miller (Textiles).

The product of a successful merger between Vantona Group and Carrington Viyella, the bidder has succeeded where last week Nottingham Manufacturing failed by offering two of its own shares, quoted at 215p after a 6p *fall*, for every nine Miller shares.

Worth just over £14m in total, the bid values each Miller share at almost 48p to which its share price responded with a 2p rise to 47p.

The bid has been accepted by the Miller board, headed by Mr Freddie Miller, in respect of 17.4 per cent of the share capital and by other shareholders controlling a further 44.8 per cent.

These irrevocable undertakings effectively shut out any further interest by Nottingham Manufacturer and block the attempt by a team of four new managers to take seats on the Miller board.

The earlier bid by Nottingham had been accepted by Miller's directors and their family interests but was soundly resisted by the majority of the Glasgow-based textile group's shareholders as Greig Middleton, Miller's former stock brokers, mustered opposition.

Vantona entered the fray towards the end of January with *terms* thought to comprise a one-for-four equity swap. Then, as now, Vantona's overtures were accepted (in outline) by holders of more than 40 per cent of Miller's equity but Vantona withdrew its interest having failed to win over Prudential Assurance, which went on to accept Nottingham in respect of a 10.4 per cent holding.

Yet Nottingham was forced to lapse its offer, having drawn only 35 per cent acceptances, and it appeared that the management team, backed by the Scottish Development Agency and advised by Robert Fleming, were in a position to take their seats on the Miller board.

But Vantona was back on the scene early this week with terms, although weaker on a pro rata basis, which offer a higher exit price. It has re-discovered its previous institutional supporters and, this time the Miller board, now free of its previous pledges to Nottingham.

The new bidder, headed by Mr David Alliance, believes that "it can contribute in the field of design and marketing and thereby in due course assist in the full production capability of Miller being achieved. The two group enjoy a similar base of customers and the *acquisition of* Miller will broaden Vantona's product range."

Miller has traditionally sent 80 per cent of its output to Marks & Spencer but recent events have shown that Miller lacks the design flair now required of all M & S textile suppliers. Miller warned earlier that some 30 per cent of its turnover would be at *risk* for these reasons but Vantona believes that, over the longer run, it can fill Miller's modern production facilities.

The deal will strengthen Vantona's balance sheet in that *Miller's* cash and leases are thought to total between £8m and £10m. Miller has already said that its profits for the year to February 13 would fall to £1.8m to which leasing income *and net interest receivable may* have contributed some £800,000.

That, in turn, means that Vantona is paying between £4m and £6m, with equity, for trading assets which are earning profits *of about £1m before tax in a* depressed year.

Ladbroke raises bid for Turf

BY CHARLES BATCHELOR

Ladbroke Group, the bookmakers, hotels and property company, yesterday increased the value of its bid for Turf Paradise, a race track operator of Phoenix, Arizona, by $4.44m to $22.17m (£15.3m) in an attempt to gain shareholders' support for its offer.

LG Acquisition Corporation, a Ladbroke subsidiary, is now offering $8.75 per share. Its *original bid of $7 per share made* on January 20 gained acceptances from the holders of only 122,000 shares or 4.8 per cent of the Turf equity.

Ladbroke's increased offer has persuaded the Turf board of directors to recommend the bid, while shareholders owning 32 per cent of the equity have agreed to tender their shares, Ladbroke said.

The UK group has extended the offer period to midnight, New York City time, on March 7 but this deadline may be extended.

Ladbroke held 127,000 Turf *shares, which are traded on the* U.S. over-the-counter market, before it made its bid.

The increased offer for the Turf does not affect the second part of the deal. This is for Ladbroke to acquire an operating lease currently owned by Arizona Downs, a private company which operates the Turf track for half of the 160 days on which racing takes place each year.

Ladbroke has taken out an option costing $150,000-300,000 to acquire the Arizona Downs lease for $5.6m.

Ladbroke is keen to get into *on-* and off-track betting in the U.S. where a number of states are easing controls. Turf also owns land which could be developed by Ladbroke's property division.

Emess forecasts £0.5m profits

Emess Lighting, the manufacturer and distributor of decorative light fittings, has forecast pre-tax profits of not less than £510,000 in the year ended December 31, 1983 to back its £2.42m cash and share offer for Michael Black, the electrical goods distributor.

Michael Black is currently in receipt of competing bids from Emess and Highgate & Job, a Glasgow-based industrial oil refiner and protein meal trader. Highgate has made a two-for-five share offer for Black worth £2.88m at yesterday's Highgate share price of 175p.

Emess said its 1983 profit forecast represented a 40 per cent increase on the comparable period. It changed its accounting period from June to December in the year just ended.

Mr Michael Meyer, Emess chairman, in a letter to shareholders, said Emess had a 13-year unbroken record of pre-tax profit rises while Highgate had not made a profit or paid a dividend in any of the last five full years of trading.

The Emess offer made sound commercial sense wtih both companies being in broadly similar activities, he added. Emess is concentrated in the southern half of Britain with Black operating mainly in the North.

"It is quite apaprent there is no financial or commercial logic in the Highgate offer," he said.

Emess has offered one of its own shares and 50p in cash for every five Black shares. Emess shares rose 3p yesterday to 245p to value its offer for Black at 59p per share—4p below Black's closing price. The Highgate all-share offer is worth 70p per Black share.

BIDS AND DEALS IN BRIEF

The revised agreed offer by **Taddale Hotels Europe** for the capital of **Prince of Wales Hotels** will now go ahead, and the offer document will be despatched as soon as possible. Taddale has *waived the condition relating to* the maintenance of existing bank facilities.

At the reconvened extraordinary meeting of Prince of Wales held yesterday, the proposals to acquire St Georges Hotel and make it a rights issue to raise some £2.65m were defeated. This was a condition of the Taddale offer.

* * *

At the extraordinary general meeting of **Southwest Resources** all resolutions concerning the increase in authorised share capital were passed. The acquisition of the 8¼ per cent royalty interest in a recent oil and gas discovery offshore Louisiana has been completed. Following the placing, a wholly owned subsidiary of the Dominion International Group now owns 17,603,750 ordinary shares, (54.1 per cent of the issued share capital).

* * *

Hestair has acquired a 60 per cent stake of **Rand Services (Holdings)** for £600,000. The consideration will be satisfied by *the issue of 447,761 25p ordinary* shares credited as fully paid in Hestair taken at 67p each plus £300,000 in cash.

The shares issued will rank pari passu in all respects with the existing ordinary share capital.

Rand operates employment agencies from 24 branches, principally in London and Scotland, and has a turnover of approximately £5.3m.

Hestair has also purchased Atlas Employment Agency and Atlas Employment Agency *(Blackfriars) for £845,000 in* cash.

Atlas operates employment agencies in London. It has 14 branches and a turnover of approximately £2.7m.

* * *

Hereward Securities has acquired a further 55,000 ordinary shares in **Smith Whitworth** and now owns 862,000 (21.55 per cent).

* * *

May and Hassell has completed the sale of its 60 per cent shareholding in its Belgium-based subsidiary Ancienne Maison Henri Deweert et Fils SA to A. Lemahieu for a nominal consideration.

COMPANY NEWS IN BRIEF

WHILE SALES OF **Ramar Textiles** rose by 17.6 per cent to £9.08m, against £7.72m, profits of this manufacturer and distributor of ladies' and children's clothing, climbed by 37.8 per cent from £252,168 to £347,612 in the half year to November 25 1983. There was again no tax charge.

Mr M. Radin, the chairman, says this result has been achieved through the correct timing of purchases, manufacture and deliveries of goods, and by the quality of the company's merchandise.

Ramar mainly supplies major multiple retailers and mail order firms.

Although the company still has to contend with increased wage and overhead costs, Mr Radin is confident that in the current six months it will continue to make strong progress.

For the 52 weeks to May 27, 1983, pre-tax profits were up by *£192,492 to £502,614, on turnover* of £15.58m (£14.13m). The year's dividend was raised from 0.625p to 1p net per 5p share.

* * *

A higher consolidated pre-tax *profit of £26.42m for the year* to November 30 1983 was achieved by **NCR**, manufacturer of business systems compared with £23.74m.

The company, which is a wholly owned subsidiary of NCR Corporation of the U.S., produced a turnover of £125.09m (£116.75m). The operating trading profit rose to £23.52m (£22.14m). Tax took £13.28m (£10.75m) giving attributable profits of £13.14m (£12.99m). Earnings per £1 share emerged at 155p (153p).

The directors say that current orders are substantial. These, together with marketing and service activities which have expanded on the back of a successful new product, promise "significant growth" in 1984.

* * *

The pre-tax profit of **Newbold & Burton Holdings** increased to £462,000 for the year to December 31 1983, compared with *£118,000. The bulk of the* improvement was achieved in the first half, as previously reported, when profit totalled £216,000—against a £74,000 loss.

Group sales of this ladies' footwear manufacturer, for the year, amounted to £11.55m (£10.64m). Tax took £162,000 (£50,000).

The final dividend is raised from 2.38p net to 3.618p, giving a total payment of 4.158p (3.78p). Earnings per 25p share were up from 1.62p to 7.13p.

* * *

The reconstructed **Padang** *Senang Holdings made higher* pre-tax profits of £134,000 for the year to September 30 1983. This compared with £65,000, after adjusting for a change of accounting policy with regard to exchange differences.

The concern is a holding company and its wholly owned subsidiary is Padang Senang Rubber (PSR), formerly the title of the group. The reconstruction is in line with the Malaysian Government's policy of Malaysianisation. After reconstruction, PSR remains the owner of the group's Malaysian estate assets.

The profit, on a turnover of £627,000 (£526,000), was struck after distribution costs of £75,000 (£69,000) and administration costs of £47,000 (£38,000). It included: fixed asset investment income £31,000 (£32,000); other interest received £10,000 (£12,000); gains on sales of fixed assets £1,000 (£18,000).

There was an extraordinary debit of £38,313. This comprised: formation expenses £10,729; professional expenses in connection with Malaysianisation £16,209; tax charge on the transfer of tax residence of subsidiaries to Malaysia, £11,375.

Earnings per 10p share, before extraordinary items, were 1.24p (0.88p). This single final dividend is raised from 0.5p to 0.7p.

* * *

Pericom—Mr Cragg, chairman, and Mr S. C. Williams as trustees for Mr Cragg's children's settlement, have sold 70,000 ordinary. Mr Cragg is now beneficially *interested in 3,825,250 ordinary* shares (51 per cent) of which 64,922 are held as trustee for his childrens' settlement.

* * *

Granada Group—The trustee shareholding (non-beneficial) of Mr Desmond James, a director, has increased by 142,723 "A" (limited voting) ordinary shares as a result of his appointment as a co-executor.

MINING NEWS

Bougainville boosts its profits and dividend

BY KENNETH MARSTON, MINING EDITOR

Earnings for 1983 of the Rio Tinto-Zinc group's Bougainville copper and gold-producing operation in Papua New Guinea have advanced to K54.7m *(£44.3m from K11.2m in 1982.*

An increased final dividend of 8 toea (6.5p) makes a total for 1983 of 13 toea. For the previous year there was a single dividend only of 2.5 toea.

	1983	1982
	Kina 000	
Sales and other income	382,859	263,176
Cost of sales	214,102	187,532
Depreciation	47,024	44,211
Royalties	4,738	3,522
Interest	9,047	18,141
Making	274,911	251,409
Less:		
Net exchange losses	16,325	3,299
Profit before tax	101,623	28,471
Tax	46,963	17,261
Net profit	54,660	11,210

Bougainville received higher prices for its copper, gold and silver last year although they weakened in the second half with the result that earnings for *the period* did not match the levels o fthe first six months.

The major factor for the full year has been increased copper production resulting from the commissioning in 1982 of the 11th and 12th *ball mills*.

Production of concentrates last year amounted to 636,932 dry tonnes (598,634 tonnes in 1982), containing: copper 183,191 tonnes (170,004 tonnes in 1982), gold 18,002 *kilogrammes (17,528 kg)* and silver 47,414 kg (43,153 kg).

As far as this year's prospects are concerned Bougainville says that the market for copper is likely to remain depressed, but offers no view on the outlook for the company's important gold production.

Clearly the bullion price will need to improve further if it is to match last year's average of U.S.$424 per ounce. So, for the time being, the shares at 168p to yield just over 6 per cent appear to be high enough.

Even so, Bougainville's performance in the past year underlines the expectation of very good 1983 results being announced — probably next week — by CRA which holds *53.6 per cent of the copper and* gold producer. Similarly, sharply increased earnings are expected soon from the parent RTZ.

Strong first half at Renison

BETTER PERFORMANCES from all divisions, led by the mineral sands business of **Associated Minerals Consolidated** (AMC), helped Australia's **Renison Goldfields Consolidated** (RGC) to *achieve a sharp rise in profits* in the six months to the end of December.

Attributable profits for the period, the first half of RGC's financial year, improved to A$4.68m (£3m), compared with just A$166,000 in the previous comparable period. The group, in which London's **Consolidated Gold Fields** holds 48 per cent, went on to make net profits of A$10m for the full year to last June and paid a single dividend of 10 cents.

Mr Max Roberts, RGC's chairman, said yesterday that the emphasis placed on operational efficiency had put the group into a good position to take advantage of any improvement in metal prices.

He added that prospects for *the future* are now dependent on a recovery in prices.

The improvement at AMC in the first half came about because of increases in both prices and demand for the subsidary's products, which enabled it to reduce stocks.

Mr Roberts said that the bouyant market conditions AMC experienced are related to the recovery in the U.S. economy, *and especially to increased* demand for pigments in line with the upturn in the building industry.

This trend is expected to continue, he added.

A further factor behind the advance in group profits was the return to break-even at the **Mount Lyell** copper mine in Tasmania, reflecting higher world copper prices and an increase in production.

However, the improvement has not been maintained in the current half-year, with the copper price in Australian dollars now well below the first-half peak.

RGC's results were also helped by a fall in interest charges from A$2.17m to A$784,000, in the wake of a sharp reduction in debt. The group is now "virtually free of borrowings," Mr Roberts commented.

The **Renison** tin operations continued to be affected by the export controls imposed under the sixth International Tin Agreement. The full impact of the tighter controls imposed in the September quarter have not yet been felt, and earnings are likely to remain depressed.

Gold mining activities through **New Guinea Goldfields** were also successful during the half, and RGC will benefit in the current period from the acquisition of *the London parent group's* 50 per cent interest, giving Renison full ownership.

Drilling is continuing at Wau and Porgera in Papua New Guinea, and also at other gold *prospects* at Beaconsfield in Tasmania and Peak Hill in New South Wales.

Lornex has its ups and downs

CANADA'S **Lornex Mining** returned to profit in 1983, in spite of a loss in the second half. Full-year profits were C$2.68m (£1.5m), compared with a loss of C$11.14m in 1982.

Lornex said that higher prices for copper and silver and increased output of molybdenum from its operations in British *Columbia were* partly offset by lower copper grades.

Net revenue from mine production rose to C$148.5m from C$126.9m, and this combined with lower operating costs and an improvement *in interest income* to provide the modest profit.

However, Lornex said that the declining copper price over the closing six months of the year gave the company a net loss for that period.

The Bullmoose metallurgical coal mine in north-eastern British Columbia, in which Lornex holds 39 per cent, was virtually completed by the end of last year, on time and under budget.

Lornex is owned as to 68.1 per cent by **Rio Algom**, in which the **Rio Tinto-Zinc** group holds 52.8 per cent.

Canadian round-up

CANADA'S **Kerr Addison Mines** has raised 1983 net profits to C$16.9m (£9.3m) from C$9.1m in 1982. The improvement reflected higher operating profits at **Canadian Electrolytic Zinc** and the **Canadian *Hunter*** gas arm.

On the other hand lower ore grades resulted in gold output from the veteran Kerr Addison mine falling 23 per cent to 42,000 oz; once a major producer, the mine's gold output was more than 592,000 oz in 1948.

* * *

Of the holding companies in the **Lac Minerals** group, **Lake Shore Mines** reports consolidated earnings for 1983 of C$18.6m (£7.5m), or C$3.20 per share, before extraordinary items and C$38.9m after extraordinary items and C$38.9m after extraordinary items. Respective *figures for 1982* were C$11.1m and C$11.8m.

Little Long Lac earned C$8.2m, or C$2.55 per share, before extraordinary items and C$24.3m after such items. There were no *extraordinary items in 1982 when* earnings totalled C$7.2m.

Wright - Hargreaves earned C$3.7m, or 37 cents per share, before an extraordinary credit and C$10.4m after this. In 1982 the company earned C$2.7m. All three companies derive income primarily from their holdings in Lac Minerals.

THE MANAGEMENT PAGE

ON A cold, wet wintry Manchester day, looking out over empty half-demolished docks and the grimy faces of now-silent factories, even the most ardent of optimists is likely to feel pangs of doubt. Yet in a corner of Trafford Park Industrial Estate, four long-standing British executives of a U.S. multi-national feel hopeful enough to have put up £300,000 of their own cash in an effort to revive loss-making Carborundum Abrasives as an independent company.

Backed by nine institutions, the British managers, led by Trevor Egan, who has been with Carborundum for 30 years, have pulled off a management buy-out from Standard Oil Company (Ohio) of the major abrasives manufacturing activities in the UK and West Germany for a little over £2m. They have £1m of equity from the institutions—led by Granville & Co, the City-based finance house—and a £1.5m loan from National Westminster Bank.

With two manufacturing plants in Britain, three in Germany and a workforce of 1,300, there is a lot more than the personal wealth of four men riding on Trevor Egan's ability to turn losses into profits and return stability to a company that has suffered under years of American mismanagement.

Not that the accusing finger points to Sohio. The problems that led to the oil giant's total disenchantment with its abrasives interests worldwide pre-date Sohio's parenthood to the time when Carborundum was a subsidiary of U.S. copper group Kennecott; and perhaps even further back to when Carborundum was an independent U.S. company listed on the New York Stock Exchange.

Carborundum's abrasive products break down into two broad product areas—bonded and coated. Basically both bonded and coated are industrial consumables for a variety of industries from automotive to woodworking.

Abrasives may not be a very exciting part of the industrial spectrum but they are a necessary one. When it was an independent company the U.S. management of Carborundum, in the 1960s and early 1970s, viewed its abrasives activities as solid cash generators to provide funds for diversified expansion, neglecting the fact that even cash cows need to be fed from time to time.

A decade ago Carborundum was a large multinational by most standards. Sales were running at over $400m a year, profits were $40m and the asset base was in excess of $356m. It had plants in nearly every major country in the western world.

Trevor Egan: "We can build on our name and our quality"

How a buy-out opened the door to world markets

Carborundum reckons that independence from its U.S. parent will lead to profitability. Terry Garrett reports

The road which finally led to the management buy-out began in 1978. Carborundum had attracted the unwelcome attention of the Eaton Corporation and was looking for a white knight. Kennecott, having pocketed $809m from the sale of Peabody Coal was, the critics claim, also casting a worried eye over its shoulder.

Both companies had their own reasons for rushing into each others' arms but the $570m price Kennecott paid was ruinously steep. Indeed Curtiss-Wright Corporation, the aerospace group and a major Kennecott shareholder, was so appalled by the acquisition that it spent three years battling in shareholder meetings in an attempt to get Kennecott to divest Carborundum.

Whether it was the amount of top management time spent in fighting its shareholder, or the clash of styles between the line managers of Carborundum and Kennecott, the period of marital bliss was short lived.

Trevor Egan had been managing director of all Carborundum's UK operations from 1972 to 1975 and had then held a number of senior posts around the group's Eastern empire. Under Carborundum's tight management structure he was only one remove from the president in reporting. Under Kennecott he was suddenly way down the pecking order.

Kennecott shipped in a series of American executives to run the European businesses. Egan remembers four major management changes in as many years.

It was the recession that finally nailed the abrasives business. Its products are industrial consumables, and as production worldwide went into decline and factories closed their gates for the last time Carborundum's demand base dwindled. There had been insufficient investment in modern plant and the group found itself with too high a cost base.

By the time Sohio bought Kennecott in 1981 for $1.77bn the fate of abrasives was largely sealed. From calendar 1978 to 1980 pre-tax profits for the European operations, now standing alone again, had fallen from £3.39m to £920,000. After mounting redundancy costs there was a small loss in 1980.

Sohio decided to bite the bullet. The team which has just completed the buy-out was brought together in 1981 to construct a three to four year plan to restructure European abrasives. That year trading losses of £270,000 were compounded by redundancy costs of £1.8m and 1982 saw trading losses of £1.45m topped up by more redundancy costs of £669,000. But it was the impossible state of the U.S. abrasives business which finally tipped the scales. Just under a year ago Sohio announced its intention to close its American grinding wheel business and divest the rest of abrasives.

Having presided over Sohio's sale of its French and Spanish abrasives operations, Trevor Egan, and his British colleagues, wanted to take on the British and German activities for themselves. Now that events had overtaken the original 1981 plan, the programme of rationalisation was accelerated.

In the nine months to last September another 366 names disappeared off the payroll at a cost of £2.63m. Though redundancies were on a voluntary basis, union co-operation throughout the drastic realignment was still surprisingly good.

So what now? According to Egan the first priority must be to establish credibility and, of course, profits. In the prospectus accompanying the management buy-out and dealings in Carborundum's shares on Granville's over-the-counter shares market, the directors have forecast a pre-tax profit this year of £1m against a trading loss of around £1m for 1983. If they fail in that objective the institutions which put money in can water down the directors' equity stakes which total 49.9 per cent.

Egan is confident about a return to profitability this year. "Since the announcement by Sohio (of its pull-out from abrasives) we have been able to take £2.5m of costs out of the business without affecting the underlying strength. And by coupling capital investment in automatic equipment with rationalisation of the product base over the last three years we now have a very competitive base."

On top of basic cost savings there is a general upturn in demand and customers who drifted away, or reduced their commitment, during the months of uncertainty over Carburundum's survival are coming back.

Breaking into new markets is the number one goal after establishing a solid profits performance. "New markets are open to us and we can build on our name and our quality to capitalise on this new potential," says Egan.

Already the British company has picked up some orders from the U.S. now that the American arm of Carborundum has closed down. And representatives of U.S. distributors have already paid their respects in Manchester. Picking the right distributor is crucial in Egan's eyes.

The second phase of rehabilitation has no timescale, but it is no less important for that. As improved technology washes through the 19-acre site at Trafford Park empty space is opening up all over the place. That is earmarked for fresh products eventually. According to Egan there are lots of products the group could go into, or possibly there could be technical support agreements with companies not operating in Europe where Carborundum could manufacture under licence.

Their years at Carborundum, whether working for the U.S. parent of the same name, for Kennecott or Sohio, has taught the British contingent an important lesson. From now on there will be a steady flow of capital investment in the future. Abrasives are still very much a cash generator rather than a growth industry. Like their U.S. masters before them, Egan's men intend to use that cash.

When quality circles fail . . .

The majority is willing to try again

BY BRIAN GROOM

THE QUALITY circle bandwagon continues to roll. But, a good five years since this Japanese management export first hit Europe, it is beginning to transpire that a sizeable number of circles have failed.

Until now, most of the evidence of failure has been anecdotal, and difficult to detect amid the continuing flood of publicity about the way quality circles can improve employee motivation.

To fill this knowledge gap, and discover what lay behind the failures, a survey of 67 British companies has just been carried out by Barrie Dale and Selwyn Hayward of the University of Manchester Institute of Science and Technology.

Their findings are fairly encouraging for circle enthusiasts, since the majority of companies which have experienced failure either of individual circles or whole programmes say they will consider trying again.

Dale and Hayward also found that companies had an average of 20 circles each, compared with 12 in an earlier study. The researchers estimate that 400 to 500 British manufacturing companies have adopted quality circles, along with 30 to 40 service organisations.

Quality circles are not just about quality. They are small groups of workers, often about seven or eight, who meet regularly to solve problems relating to various aspects of their work, including productivity.

The main reasons for failure identified by the study include rejection of the concept by top management and trade unions, the disruption caused by redundancies and company restructuring, labour turnover, lack of co-operation from middle and first-line management, and failure by circle leaders to find enough time to organise meetings.

Dale and Hayward divide failures into three categories, the biggest being 42 companies which continue to run a quality circles programme but which have experienced the failure of individual circles.

In these companies, an average of 20 per cent of circles failed. The researchers say this compares favourably with Japan where "one-third of the circles simply make no contribution." However, the failure rate is expected to increase as UK programmes grow older.

The pitfalls were varied. Causes of failure included redundancies/restructuring (21.7 per cent of circles), labour turnover (19.3), lack of time for leaders to organise meetings (18.1), non-co-operation from middle management (18.1), non-co-operation from first-line supervisers (13.7 per cent), dissillusionment among circle members with the circles philosophy (10.8), circles running out of projects (10.8), delays in management's response to circle recommendations (8), leaders not following through initial training (7.6), tackling over-ambitious projects (7.2).

However, 76.2 per cent of companies proposed to revive failed circles. Management support and commitment and attention to the roles of circle leader and facilitator (support workers who assist circles), were thought to be the most important factors in preventing failure.

Enthusiasm

The first 1½ years in a circle's life are the most critical. Enthusiasts can draw comfort from the fact that most of the programmes were well established and the failure rate was unlikely to lead to the collapse of whole programmes.

In another category, however, Dale and Hayward examine 18 respondents who did suspend their programmes. The vast majority (77.8 per cent) suffered from the economic situation. Redundancies and restructuring not only broke up circle membership, but undermined the workers' enthusiasm.

"Circle members may view their efforts as wasteful if their jobs are under threat, or if they think that project recommendations will not be implemented because of company change. Thus the commercial forecasts prior to implementation should offer the prospect of reasonable stability," the authors write.

Two further problems—scepticism about quality circles among managers and unions—occur in this category, and are important in a further seven companies which considered installing quality circles but decided against it.

In top management, reasons for rejection include a feeling that they already allowed a forum for open discussion and resolution of problems, that priority should be given to more pressing matters, or that quality circles were just the latest in a series of vogue management techniques.

This last objection was shared by some trade unionists, who also felt circles undermined the role of shop stewards. In two companies, outstanding union disputes were obstacles to setting up programmes.

"This emphasises the need for thorough consultation with trade union representatives at an early stage, to assess their attitudes towards quality circles," say the authors.

The results indicate that quality circles may not be appropriate for all companies. But they add: "It is questionable whether some of the potential benefits of operating quality circles could still not be achieved by those companies claiming to have an appropriate management style. For example, the mere fact that the concept allows workers to be formally involved in problem-solving on a regular basis could still enhance job satisfaction."

Dale and Hayward argue that quality circles cannot be judged on the failure rate alone. Some successful programmes have experienced high failure rates.

They say circles which have run out of ideas for projects should be temporarily suspended. "Periodic rests for all circles may help to maintain circles in the long term, by revitalising interest and enthusiasm."

The authors add: "As soon as circles are unable to generate suitable ideas for projects then they should be temporarily suspended until new problems arise."

A Study of Quality Circle Failures; from B. Dale, Dept. of Management Sciences, Umist, PO Box 88, Manchester M60 1QD. £6.

THE PROPERTY MARKET

BY MICHAEL CASSELL

Dublin deal for British Land

BRITISH LAND'S efforts to rebuild its reputation as one of the most imaginative and successful UK-based property groups this week took another impressive step forward.

In picking up the so-called "Slazenger" site, on the edge of St Stephens Green in Dublin, the company has won through where a long line of competitors failed.

Since the late 1960s, the four-acre site, in the heart of the city's banking and financial district, has been regarded as one of the best remaining development opportunities in Dublin. Institutions and developers alike have tried to untie the tangle of fragmented leases and tricky tenants, all without success.

Originally put together by Slazenger family interests, the site—encumbered with numerous tenancies—was offered for sale in the late 1970s and was bought in 1981 by the Gallagher Group, then Ireland's biggest property developer, for a sum thought to be around I£10m.

Gallagher continued the process of site assembly but its efforts were brought to a standstill when the group collapsed in 1982. Its inability to develop the St Stephens Green site, while carrying the costs, was instrumental in bringing it to its knees.

The appointed receiver manager then began tough negotiations to knock the site into a clean saleable state and, through Jones Lang Wootton, finally put it out to tender later last year. None of the bids was accepted and a quoting price of I£8.25m was then put on the land.

John Ritblat, chairman and managing director of British Land, who had earlier looked at the possibilities, came back on the scene about two months ago, started talks and quickly scooped up the site. "It was very cheap," he says

The group in fact paid about I£5.1m (£4m) for the land and now plans a £20m-plus redevelopment programme; neat work, even for the man who has just pulled off the purchase of Wimpey's half-share in the Euston Centre, widely regarded as one of the smartest property deals recently seen in London.

Ritblat calls St Stephens Green "one of the last great sites in Europe" and has suitably ambitious plans for it: "The site was fraught with legal difficulties which went as high as the Supreme Court, but we spotted a way to clear the deal and it was all done very quickly. We have outline planning permission and the site should be ready for development within a year," he adds. Exactly how he knocked down the quoted price by over I£3m he is not saying.

British Land proposes a covered shopping centre of over 200,000 sq ft and Ritblat says he already has an occupier lined up for the 30,000 sq ft department store. There will be up to 700 cars parking spaces.

The development, to be carried out in association with Power Securities, the Irish development group, could also include between 80,000 sq ft-100,000 sq ft of offices, although a decision on this will depend on market conditions. An hotel is also a possibility.

Ritblat enthuses: "We have bought a splendid opportunity in a market we know well and there are some very disappointed competitors queuing up to offer us a substantial profit right now. But we will do the job ourselves, most probably using in-house finance."

Only this week, the group finalised arrangements for an underwritten issue of unsecured Swiss franc public bonds, to be listed on five Swiss stock exchanges. They will be issued to a maximum figure of £40m and guaranteed by the group.

No doubt some of the money might find itself in Dublin, where British Land has long been operating. The group is already involved with Power Securities in developing a 28,500 sq ft office scheme, also on St Stephens Green.

The latest initiative helps maintain the momentum of British Land's revival, back from the brink of disaster in the early 1970s. Its involvement in the U.S., where it currently owns 35 per cent of British Land of America, is growing. The current U.S. development programme includes a major refurbishment on Broad Street, Manhattan, and the $40m joint venture reconstruction of a 200,000 sq ft office building close to the Lincoln Centre.

Pre-tax profits in 1982-83 reached £7.71m and a further advance is expected this time. It was only in 1980, with some hefty losses behind it, that the group managed its first dividend payment for over six years.

But, as Mr Ritblat knows only too well, a great deal can happen in four years.

EPC sells to Kleinwort

ENGLISH PROPERTY CORPORATION has sold its one-third leasehold interest in The Butts Centre, Reading, Berkshire, to the Kleinwort Benson Property Fund. EPC raised over £5m from the deal.

Reading Borough Council holds the freehold of the centre, which includes a supermarket, a furnishing store, 111 shops and 77,000 sq ft of office space, and granted a 148-year lease to the Local Authorities' Mutual Investment Trust. LAMIT, in turn, underlet to EPC.

Kleinwort has now acquired this underlease and will take a third share in the income, with the balance going to LAMIT, after payment of 10 per cent to the council. Current rental income is about £1.5m a year and Kleinwort—advised by Hillier Parker—and LAMIT are to undertake a major refurbishment.

Profit at English Estates

ENGLISH Industrial Estates—the government's industrial and commercial property developer—made a handsome profit in 1982-3, a year in which it reported record sales and lettings.

Accounts published this week by the Department Trade and Industry show that the EIE—now known simply as English Estates—has been fulfilling its obligation to "act in a more commercial manner."

They reveal that rental income in 1982-3 rose to £14.9m (£11.7m), although rent concessions again reduced the gross figure by just over £2m. During the year, there was also a £1.3m surplus generated from the disposal of assets, against £475,000 in the previous twelve months.

At the year-end, the organisation had notched up a surplus before taxation of £5.1m against only £1.5m in the previous year.

The net call on government funding, largely as a result of rising property sales, fell during the year to £12.4m against £25.8m in 1981-2.

● Sun Life Properties has let its 40,000 sq ft Hayworth House development in Haywards Heath, Sussex. Brown Shipley Holdings, the merchant bank and insurance brokers, are paying over £7 a sq ft Grant & Partners acted for Sun Life.

Concrete cows bow to computers

MILTON KEYNES, the city where image-building has given way to real building, is set to announce another coup in the fight to establish itself as a major UK centre for high-technology industries.

The Development Corporation is maintaining a discreet silence over its latest success but it is understood that a major U.S. computer company is to occupy a 43,000 sq ft office and distribution building funded by Abbey Life Property Fund.

The news is good for the city and for Abbey Life, which is also funding the second phase of the 290,000 sq ft Central Plaza complex, next to the main line railway station. The 75,000 sq ft building is due for completion in April and a potential single tenant, likely to pay over £8.25 a square foot is apparently having talks.

Of the 600 companies which have moved to Milton Keynes since it was designated a development area, over 120 of them are engaged in information-technology related fields.

So far, the city—which seems to attract as much publicity for concrete cows and Japanese peace pavilions as it does for its commercial success — has become home for over 50 American companies. Scandinavian and Japanese high-tech specialists are also moving in.

With the case for location in Milton Keynes apparently won, and readily advocated by the companies which have already arrived, the city's commercial development programme has given short shrift to the recession which has hit most parts of the property market.

In the financial year up until this April, over 200,000 sq ft speculative office space will have been let, compared to about 230,000 sq ft in the previous year. Only two years before that, the total stood at 65,000 sq ft.

Within the city's central area, about 1m sq ft of office space has already been completed and a further 700,000 sq ft of speculative or purpose built accommodation is under way. Another 1m sq ft has been completed beyond the central area. Tip-top rents touch £9 a sq ft, with £7.50 a sq ft about average.

In the industrial high-tech sector, around 600,000 sq ft of new accommodation will have been built speculatively during the current year. During the same period, purpose-built schemes will have added an extra 530,000 sq ft—a figure which is likely to rise towards the 750,000 sq ft level.

The corporation says that the recession has not completely passed by the city, with small company failures reaching unprecedented levels, but there is only about 70,000 sq ft of completed office floorspace currently available, with a further 110,000 sq ft vacant in the high-tech sector.

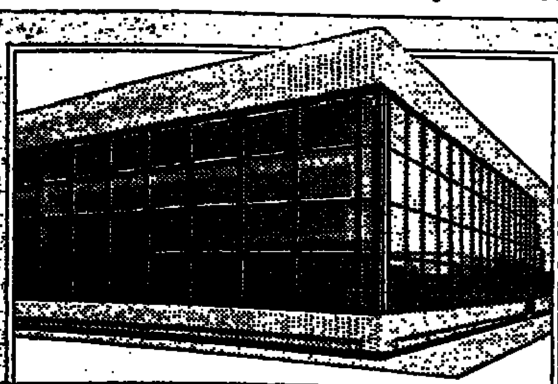
After the early years of pump-priming by the Development Corporation, the private sector now provides most of the investment finance—the figure reached over £87m in 1982-83 alone. Perhaps the greatest gesture of faith yet in a city where faith and determination have played a big role, is the decision by Shell Pensions Trust to fund the first £40m phase of the Corporation's Central Business Exchange.

The Exchange could ultimately provide up to 1m sq ft of accommodation and offer tenants the most advanced information technology systems available. The project is a gamble and the big funds were hardly falling over themselves to put up the money. But if the stakes are high, the returns could be enormous.

Geers Gross back out

TOWNSEND THORESEN PROPERTIES has put Fennimore House, Covent Garden, back on the market, following the decision by advertising agents Geers Gross to take another of the development company's buildings nearby.

Geers Gross had agreed terms with TTP to take the whole of the 31,000 sq ft Fennimore House on High Holborn at the full asking rent of £17.50 a sq ft but they have opted for St Martin's House, the 33,000 sq ft building in St Martins Lane. Michael Laurie and Fuller Peiser will handle the re-marketing of Fennimore House.



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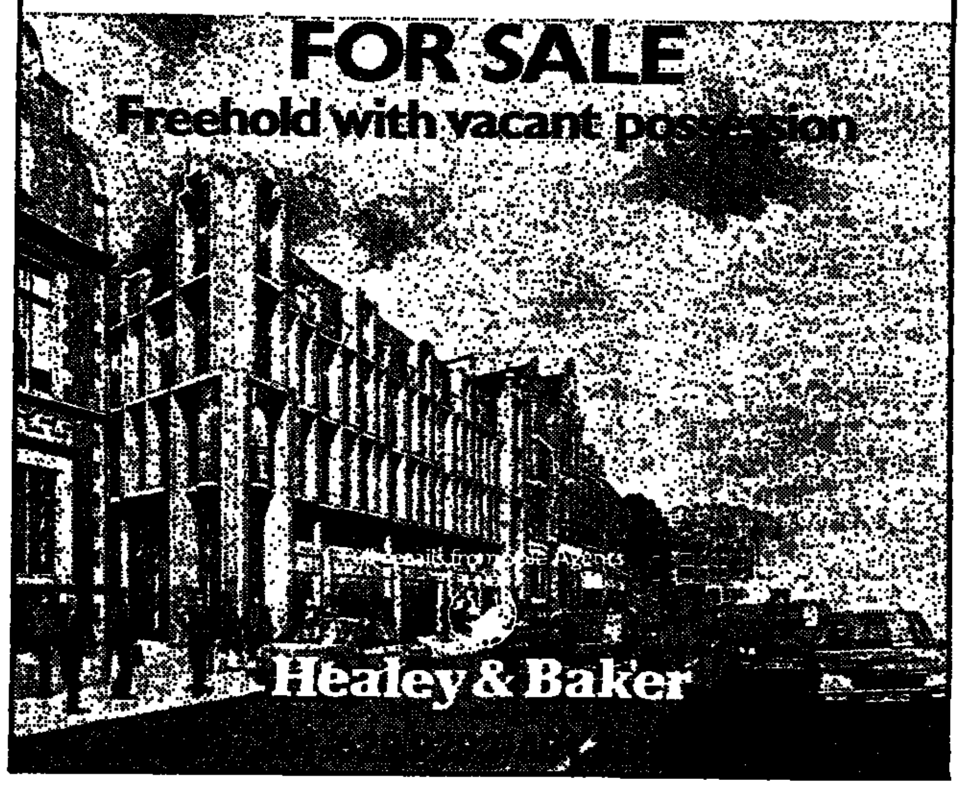

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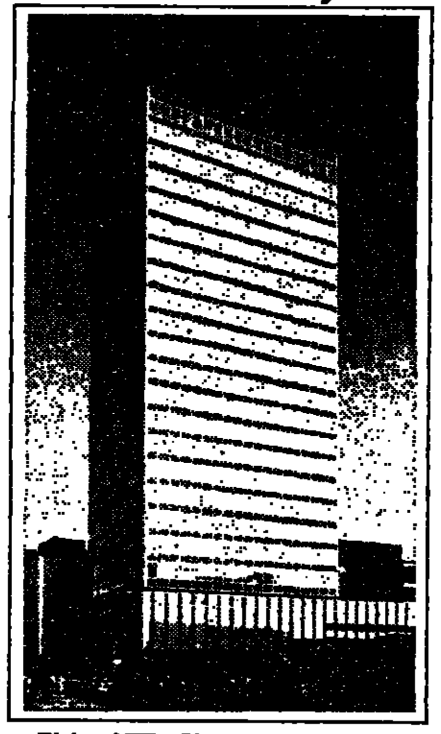

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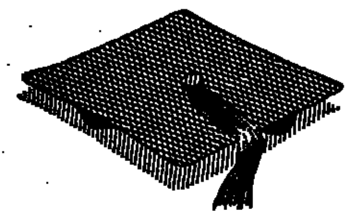

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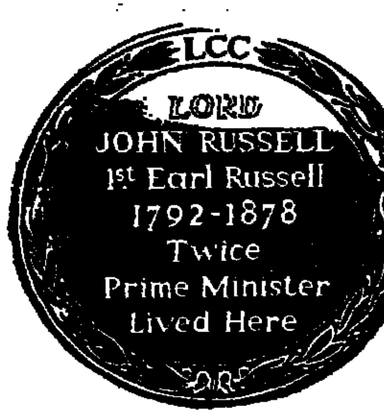

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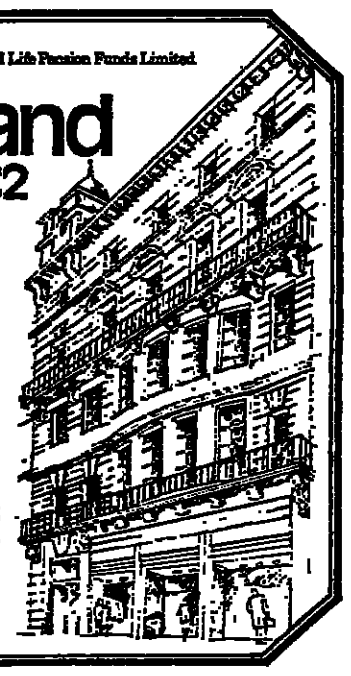

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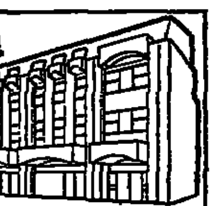

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday February 24 1984

WALL STREET

Swift rally wipes out sharp fall

BOTH STOCK and bond markets fell heavily on Wall Street yesterday after the announcement of a sharp rise in durable goods sales in January strengthened fears that interest rates will be forced higher within the next month, *writes Terry Byland in New York.*

The market's nervousness was fuelled by a warning from Dr Henry Kaufman, chief economist at Salomon Brothers, that long bond yields could rise as high as 15½ per cent in the present cycle.

The Dow Jones average plunged by more than 14 points in mid-afternoon as bearish views on interest rates held sway. But a swift rally towards the close wiped out the losses and the Dow Jones industrial average ended a net 0.42 higher on the day at 1134.63. Turnover rose to 100.7*m* shares. The bond market steadied on the disclosure of money supply figures which were better expected.

Losses in the federal bond markets ranged to around a full point and were the most severe of the present downtturn. The stock market tried to move ahead after the news that durable goods sales had gained 1.1 per cent last month, but was pulled down by the slide in the bond market.

The higher sales of durables strengthened market fears of a tightening of Federal Reserve credit policies. Wall Street expects the trend to be confirmed again today when the consumer price index for January is announced.

The nervousness of the bond market quickly showed itself in trading in bond futures. The price for the March delivery contract of bonds fell straight through its support level within the first few minutes of trading and extended its fall as the session progressed.

The warning on interest rates brought increased selling both of industrial and utility stocks which traditionally suffer from higher interest charges on their heavy capital expenditure programmes.

Dr Kaufman's latest prediction on bond yields upgraded his previous forecast that the long bond might reach a yield of 13½ per cent.

Southern California Edison dipped $1¼ to $35 and Commonwealth Edison at $22½ gave up $⅜.

IBM continued to give ground despite the announcement of more product introductions. At $108¼, the market bellwether gave up $⅞.

Chrysler, the major corporate reporter of the session, up $½ to $26 in brisk trading following the announcement of results for 1983.

Technology issues gave up the minor gains of the previous session. NCR, the cash register and office machinery group, dipped $½ to $110⅝ but Teledyne at $157⅞ rose $⅞ to $160¼.

But Tymshare attracted a fresh wave of takeover speculation as buyers, thwarted by the aborted talks with McDonnell Douglas, bought the stock up to $15¼, a net gain of $1⅜. Honeywell, named as a possible suitor, refused to comment and dropped $1¾ to $53½.

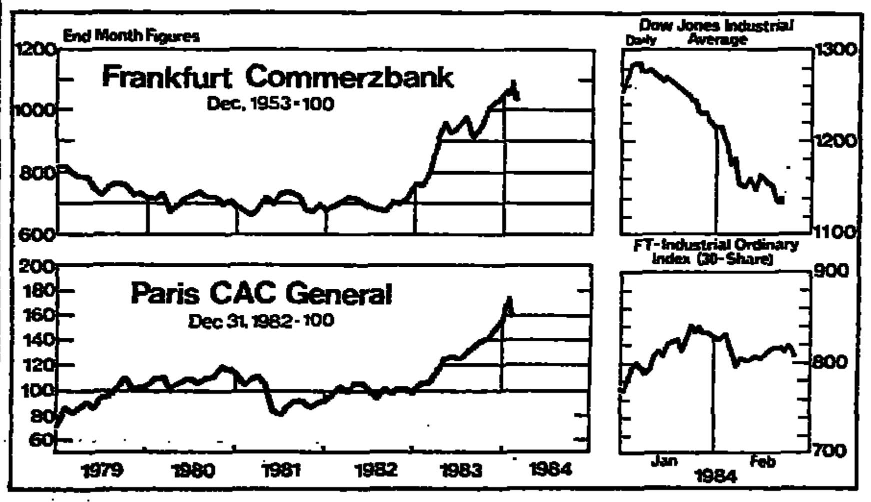
In the credit markets, the session had barely opened before the March bond futures contract price dropped resoundingly through its 69⅝₂ support level. By the close, the contract had dropped by ²⁴⁄₃₂ to 68²⁶⁄₃₂ and market traders were at a loss to predict a new support.

Widespread falls were quickly extended throughout the bond list and by early afternoon the key 2013 long bond showed a fall of almost one point. At its closing price of 98²⁴⁄₃₂ the bond was ¹⁸⁄₃₂ down on the day and yielding 12.14 per cent.

In addition to fears over Fed policies, the bond market faces a fresh weight of Treasury funding. It also feared a further jump in money supply when the M1 figures were disclosed at the end of the session.

Treasury bill rates jumped by around eight basis points, with three-month bills at a 9.23 per cent discount and the six-month bills at 9.39 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 23	Previous	Year ago
NEW YORK			
DJ Industrials	1134.63	1134.21	1096.94
DJ Transport	494.02	494.89	485.71
DJ Utilities	123.70	124.86	123.71
S&P Composite	154.29	154.31	146.79
LONDON			
FT Ind Ord	806.90	816.40	637.20
FT-A All-share	489.89	494.02	400.96
FT-A 500	523.38	528.55	433.90
FT-A Ind	477.14	481.91	409.69
FT Gold mines	671.00	658.20	625.90
FT-A Long gilt	10.22	10.22	11.27
TOKYO			
Nikkei-Dow	9939.56	9947.71	7931.65
Tokyo SE	768.80	769.86	579.84
AUSTRALIA			
All Ord.	745.50	743.80	495 40
Metals & Mins.	518.70	513.10	440.30
AUSTRIA			
Credit Aktien	54.31	55.41	48.78
BELGIUM			
Belgian SE	141.14	141.18	106 81
CANADA			
Toronto Composite	2368.64	2366.16	2073.00
Montreal Industrials	415.2	414.14	354 40
Combined	399.19	398.42	344.13
DENMARK			
Copenhagen SE	204.61	206.90	114.71
FRANCE			
CAC Gen	160.40	161.10	106.60
Ind. Tendance	103.20	103.60	111.80
WEST GERMANY			
FAZ-Aktien	349.93	348.08	263.83
Commerzbank	1027.90	1024.00	791.30
HONG KONG			
Hang Seng	1067.29	1047.22	992.61
ITALY			
Banca Comm.	220.10	218.59	205.00
NETHERLANDS			
ANP-CBS Gen	156 40	158.80	109 10
ANP-CBS Ind	127.80	130.20	96.00
NORWAY			
Oslo SE	242.99	240.95	143 56
SINGAPORE			
Straits Times	1013.72	1018.49	813.71
SOUTH AFRICA			
Golds	1,003.3	994 00	861.20
Industrials	978.8	975 60	846 40
SPAIN			
Madrid SE	117.97	118.19	103.25
SWEDEN			
J & P	1539 70	1543 41	1258.91
SWITZERLAND			
Swiss Bank Ind	370.40	370 20	313 30
WORLD	Feb 22	Prev	Year ago
Capital Int'l.	178 90	179 00	159.80

GOLD (per ounce)

	Feb 23	Prev
London	$396.125	$394 25
Frankfurt	$397.75	$395 25
Zürich	$400 50	$395.25
Paris (fixing)	$398 78	$394 64
Luxembourg (fixing)	$399.50	$390.00
New York (Feb)	$399 10	$399.70

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Feb 23	Previous	Feb 23	Previous
$	–	–	1.4625	1.451
DM	2.6535	2.6635	3 8825	3.8675
Yen	233.35	233.20	341.5	338.5
FFr	8.175	8.2125	11.9525	11.915
SwFr	2.1865	2.1925	3.2	3.1825
Guilder	2.9955	3.004	4.3825	4.36
Lira	1642.5	1648	2401.5	2390.5
BFr	54 37	54.82	79.5	79.10
C$	1.24925	1.24775	1.8265	1.81

INTEREST RATES

	Feb 23	Prev
Euro-currencies (3-month offered rate)		
£	9⅝	9⁷⁄₁₆
SwFr	3¹¹⁄₁₆	3⅝
DM	5⅞	5¹⁵⁄₁₆
FFr	19¼	15⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⁵⁄₁₆	10⅛
6-month U.S.$	10⁷⁄₁₆	10⁵⁄₁₆
U.S. Fed Funds	9¹¹⁄₁₆	9⅝
U.S. 3-month CDs	9.80	9 70
U.S. 3-month T-bills	9.19	9.13

U.S BONDS

Treasury	Feb 23* Price	Feb 23* Yield	Prev Price	Prev Yield
10⅝ 1986	99¹³⁄₃₂	10.98	99¹⁸⁄₃₂	10.87
11¾ 1991	99⁴⁄₃₂	11.93	99²⁴⁄₃₂	11.80
11.75 1993	98¹⁵⁄₃₂	12.03	99⁷⁄₃₂	11.91
12 2013	98²⁴⁄₃₂	12.14	99²²⁄₃₂	12.04
Corporate	**Feb 23 Price**	**Feb 23 Yield**	**Prev Price**	**Prev Yield**
AT & T				
10⅜ June 1990	92¾	12.05	94⅛	11.70
3⅞ July 1990	68½	10.90	68⅝	10.80
8¾ May 2000	74⅛	12.50	75¾	12 20
Xerox				
10⅞ March 1993	91¼	12.25	92¾	11.95
Diamond Shamrock				
10⅝ May 1993	91⅛	12.45	91⅝	12.15
Federated Dept Stores				
10⅜ May 2013	84¾	12 60	87½	12.20
Abbot Lab				
11.80 Feb 2013	93	12.70	96⅞	12.65
Alcoa				
12¼ Dec 2012	94	13.05	96⅞	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	60–20	69–03	68–18	69–12
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.69	90.78	90.68	90.81
Certificates of Deposit (IMM) $1m points of 100%				
March	90.10	90.19	90.08	90.22
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89 97	90 00	89.95	90.05
20-year Notional Gilt £50,000 32nds of 100%				
March	108–21	108–29	108–17	108–27

COMMODITIES

(London)	Feb. 23	Prev
Silver (spot fixing)	666 30p	650 45p
Copper (cash)	£985.25	£997 25
Coffee (March)	£2054.50	£2031.00
Oil (spot Arabian light)	$28.50	$28 47

TOKYO

Dispirited tone leaves volume low

DEPRESSED by record margin debts and a further drop overnight on Wall Street, equity prices lost ground in Tokyo yesterday for the second consecutive session in slack trading. However, bond prices firmed, reflecting the yen's rally against the U.S. dollar, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average was down 8.15 at 9,939.56, with volume shrinking to 209.14m shares from Wednesday's 232.87m. Declines far outpaced advances 441 to 272, with 186 issues unchanged.

With no favourable factors in sight, investors generally remained on the sidelines. Nomura Securities Investment Trust Management issued buying orders amounting to some Y3bn, but its failure to push up share prices led major securities houses to predict that the market would not recover markedly while Wall Street remains weak.

Hazama-Gumi, a major contractor, was sought after reports of buying by non-residents, with volume totalling 9.8m shares, the day's largest. The price closed at Y366, up Y11.

Since the beginning of the week, Hong Kong operators have bought the stock in Y1m lots through the Sanyo and Yamatano securities companies. Other foreign investors began to select the issue through Nikko and Marusan securities, stimulating domestic interest in the stock.

Shin-Etsu Chemical climbed Y50 to Y1,130 following the announcement that its wholly-owned subsidiary had decided to manufacture semiconductors in the U.S. and Britain. Hoya Corporation was up Y20 to Y1,680 on the strength of plans to expand its electronics division. Nippon Kogaku, a major maker of semiconductor manufacturing equipment, firmed Y40 to Y1,090.

Conversely, high-priced stocks lost ground, with Kokusai Denshin Denwa (KDD), Japan's international telecommunications monopoly, tumbling Y260 to Y18,540. International populars remained out of favour.

The bond market rallied, reflecting the yen's firm tone in relation to the U.S. dollar. But trade remained lacklustre, as institutional investors waited to see what would happen to U.S. interest rates.

The yield on the benchmark 7.5 per cent government bonds, due in January 1983, fell slightly to 7.38 per cent from 7.39 per cent.

LONDON

Acidic view of ICI sours hopes

VASTLY IMPROVED profits for ICI fell below expectations in London and the hoped-for rejuvenation in equity markets did not take place. The FT Industrial Ordinary index, of which ICI is an important constituent, reacted with a 9.5 fall to 806.9 and the chemical group's shares lost 16p to 588p after hitting 574p.

Recovery attempts were frustrated by Wall Street's continued inability to mount a sustained rally and the FTSE index ended at the day's low of 1,031.7, down 11.3.

Liquidity shortages inhibited trade in gilt-edged securities and quotations tended to drift.

Details, Page 27; Share information service, Pages 28-29

CANADA

Gold shares picked up from early sharp falls in Toronto to enable the market to close higher on the day.

Banks were the main source of weakness in Montreal, but industrials edged higher. Both utilities and papers were marginally weaker.

EUROPE

Divergence in absence of direction

RELUCTANCE persisted on the European bourses yesterday to commit any sizeable amount of new funds while bereft of a decisive lead from New York trading patterns. This was reflected in low volumes and divergent outcomes on the day for bourse indices, determined mainly by chance and a smattering of influential corporate results, either announced or pending.

Scattered **Frankfurt** bargain-hunting indicated the residue of underlying confidence. Daimler-Benz shone with a DM 6.70 rise at DM 573 but VW, for example, could only hold steady at DM 208.50. The Commerzbank index, calculated at mid-session, was 3.9 higher at 1,024.0.

Dresdner Bank led its sector with a rise of DM 3.80 to DM 177.50, while BHF was unchanged at DM 285 and Bayerische Vereinsbank slipped DM 3 to DM 339.

A firmer D-Mark allowed gains of up to 30 basis points in public sector bonds, and the Bundesbank sold DM 29.7m of paper.

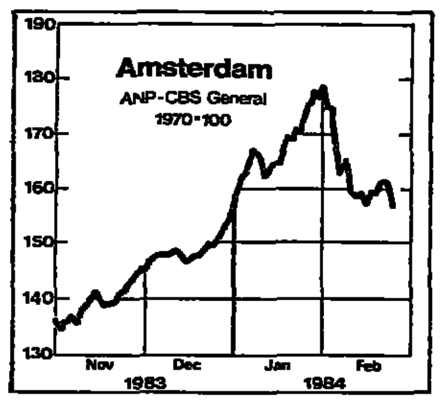
Zurich was poised for results later from Ciba-Geigy, SwFr 5 easier at SwFr 2,325, and UBS, steady at SwFr 3,560 after opening lower. In their respective sectors, Sandoz eased SwFr 1 to SwFr 251 but Hoffmann-La Roche added SwFr 100 to SwFr 10,225, while Swiss Bank shed SwFr 4 of its recent gains to SwFr 346 and Credit Suisse was unchanged at SwFr 2,360.

Bonds were thinly dealt but steady.

The round of Italian prime rate cuts provided a buoyant **Milan** opening, but even there the best levels were not sustained. Credito Varesino fared well with a L210 jump to L4,910 but other banks were subdued.

Fiat, reporting higher European sales and market share, gained L71 at L4,141. Bonds moved actively higher.

An opposing interest rate pointer faced **Brussels** as the central bank raised Treasury certificate rates. On a mixed day, retailer Delhaize was the only star with a BFr 160 surge to BFr 5,290.



As the European Commission deliberated on Luxembourg steel aid, Arbed firmed BFr 2 to BFr 1,442.

Amsterdam returned to its lowest for the year, the ANP-CBS general index dipping 2.4 to 156.40. Among the day's bigger setbacks was a Fl 6.30 fall for Nat-Ned at Fl 216 as its new Amfas offshoot reported an unexpected loss.

West Utrecht mortgage bank shed Fl 5 of Wednesday's Fl 9 advance at Fl 120. bonds were barely changed.

Economic strains, caused by the French lorry drivers' blockades, evoked further distress in **Paris**, but selling reached no great intensity. Perrier lost FFr 7 to FFr 462 but Schneider was among those to gain, up FFr 6.90 at FFr 134.80.

The CAC General index moved 0.7 lower to 160.4

A flood of results descended on **Stockholm** as the day ended, and last-minute adjustments left Astra SKr 15 lower at SKr 565 while Boliden, also reporting, steadied at SKr 408.

Asea, which warned of a "distinctly lower" growth rate this year than last, slid SKr 20 to SKr 400.

Copenhagen showed Jyske Bank DKr 70 down at DKr 610 after results, eradicating the previous day's DKr 70 leap. Privatbanken, reporting later, firmed DKr 2 to DKr 314.

The **Madrid** outcome was quietly steady.

AUSTRALIA

GOLD shares led a rebound in Sydney as the All Ordinaries index closed 1.6 up at 745.4.

BHP still figured with a 5-cent gain to A$14, although Bell Resources slipped 10 cents to A$8.40, going ex-dividend for a 10-cent interim payment. Bell Group added 16p to A$6.16 after almost trebling profits to A$15.04 for the first half.

Banks improved, having digested the government report on deregulation, with Westpac adding a further 7 cents to A$3.75. National Commercial rose 3 cents to A$3.55, although ANZ held steady at A$5.50.

HONG KONG

SHORT-COVERING and bargain-hunting pushed shares higher in Hong Kong yesterday after three days of losses. The Hang Seng index gained 20.07 to 1,067.29.

A broadly firmer banking sector was led by Hang Seng Bank, up 75 cents to HK$44.25, while Bank of East Asia managed a 30-cent rise to HK$28.40.

Elsewhere, Jardine Matheson was 1 cent up at HK$12.60, although Hutchison Whampoa was unchanged at HK$16.80.

SINGAPORE

A LATE technical recovery reversed some early Singapore losses but was insufficient to prevent a 4.73 drop in the Straits Times index to 1,013.72.

Rothmans Malaysia moved against the trend with a 42-cent rise to S$4.26 after a 33 per cent increase in first-half profits and a one-for-two scrip issue.

Public Bank, the most active with 764,000 shares traded, closed 2 cents off at S$3.08, while Supreme Corporation lost 8 cents to S$2, also on heavy turnover.

SOUTH AFRICA

PROFIT-TAKING trimmed sharp rises by some gold shares in Johannesburg to leave the market mainly mixed to unchanged.

Free State Geduld closed R1 off at R54.10, although Buffels held on to 60 cents of its R2 early rise to end at R77.60.

Barlow Rand was 10 cents firmer at R14.40, while De Beers was steady at R10.45.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19¾	9⅞	AAR	.44	2.3	23	124	18⅞	18¾	18¾	
52⅞	30½	ACF	1.40	3.2	552	420	44½	43	44⅛	+1⅛
16⅞	14⅛	AMF	.50	3.5		327	14⅜	14⅛	14¼	
41¼	21	AMR Cp			6	4441	29¼	27⅞	29¼	+½
20⅝	16⅞	AMR	pf2.18	11.		57	19⅝	19⅜	19⅜	−⅛
41½	25⅝	AMR	pf2.13	6.8		177	31⅛	29⅞	31⅛	
16⅝	5⅝	APL			3	88	11⅛	11	11	−⅛
55¼	36⅝	ARA	2.05	4.7	9	126	43¾	43½	43½	
77¼	50¼	ASA	3a	4.4		2116	68	65¾	68	+1
33¼	14⅞	AVX	s .32	1.4	23	43	23	23	23	
53⅞	36⅝	AbtLab	1	2.4	15	2081	42¼	40⅞	41½	−⅛
30¼	23⅜	AccoW	n.60	2.4	17	255	25¼	25¼	25¼	−⅛
27½	17⅞	AcmeC	.40	1.8		33	22⅛	22	22	−⅛
13	6⅞	AcmeE	.32b	3.5	58	88	9¼	9	9¼	+¼
24⅞	9⅝	AdmDg	.04	.3	10	47	13	12¾	12¾	−⅛
16⅝	15⅛	AdaEx	2.11e	13.		67	16	15⅞	16	+⅛
19⅞	7⅜	AdmMl	.28	1.6	8	110	17⅞	17	17⅛	
16⅞	8⅞	Advest	.12	1.2	5	50	9⅝	9½	9⅝	−⅛
37½	15½	AMD	s		33	3133	27⅞	26	27	−⅞
24⅞	12½	Aerflx	s		13	51	13⅞	13⅝	13⅞	
43½	33½	AetnLf	2.64	7.9	10	1113	33⅝	d33¼	33⅝	
63	56¾	AetL	pf5.09e	9.0		23	57⅛	56⅞	56¾	−⅛
40½	22¼	Ahmns	1.20	5.7	6	2293	22½	d20¼	21⅛	−1⅛
7⅞	3	Aileen				85	4	4	4	−⅛
51	38¼	AirPrd	1	2.7	10	789	39⅞	d36½	37	−2⅛
30⅝	19	AirbFrt	.60	2.7	14	50	22	22	22	+⅛
3⅞	1⅞	AlMoa	s		27	329	3⅛	3	3	−⅛
33½	29⅞	AlaP	pfA3.92	13.		5	30⅝	30½	30½	−⅛
7⅞	6½	AlaP	dpf.87	12.		31	7⅛	7	7	−⅛
[illegible]										

Continued on Page 25

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
15¼	15⅛	ALLab	n			341	15½	d15¼	15⅜	−⅛
6¼	1½	ATI				167	1⅝	1⅝	1⅝	
17¼	4	AcmePr				33	4	d3⅞	3⅞	−¼
19½	12¼	AcmU	s .32	2.2	16	12	14½	14⅜	14½	+⅛
14¼	6¼	Acton	s		7	54	11	10½	11	+¼
12	6⅛	Actons	.11	1.5	25	77	7⅜	7⅜	7½	
6½	1½	Actn	wt			6	2½	2½	2½	
8	1⅞	AdmRs				31	3	2⅞	3	+¼
30⅝	17⅛	AdRusl	s.10	.6	11	21	18⅜	18⅛	18⅜	−⅛
28⅝	15	Adobe	.24	1.2	14	82	20⅛	19⅝	20¼	+¼
5¼	2⅞	AegisCp			12	176	3½	3⅜	3½	+⅛
7	4	Aeronca			7	39	5	4⅝	4⅞	+⅛
32½	18	AffHsp	.40	1.7	9	1	22⅞	22⅞	22⅞	−⅛
17½	8¼	AirSh	.08e	.8	7	11	10⅜	10¼	10⅜	−⅛
15½	6⅞	AirExp				15	6⅜	6⅜	6⅜	
6⅛	4	Alamc	n		9	143	5	4¼	4⅞	−⅛
23⅛	11⅞	AlbaW	.15e	1.2	7	38	12⅞	12⅝	12⅝	−¼
12¼	3½	AlnFr	s			2	3½	d3½	3½	−⅛
14⅛	8⅛	AlmySt		1.4		29	14⅛	13⅞	14⅛	−⅛
10½	5⅝	AlohaA	.48r	5.8		9	8¼	8⅛	8¼	
28⅝	13¼	Alphain	.05	.4	18	204	13½	d13⅛	13½	+¼
2⅞	1⅛	Altex				154	1½	1¼	1¼	−⅛
17-16	⅛	Altex	wt			15	¼	¼	¼	−1-16
37	31	Alcoa	pf3.75	12.		z400	32½	32¼	32¼	−¼
32½	11⅝	AlzaCp			117	113	13	12⅞	12⅞	
29⅞	14⅞	Amdhl	s.20	1.3	17	587	16⅛	15⅞	16	−¼
25⅛	9⅛	Amedco	.08	.6	17	47	14⅛	13¾	13¾	−¼
7½	4¼	AmBlt	.15	2.6	16	10	5¼	5¼	5¼	
9⅝	2⅛	AmCap				13302	8	7⅞	8	+⅛
44⅛	15⅛	AExp	wt			20	15¼	d15¼	15¼	−⅜
11⅞	5⅝	Alsrael			2	20	6⅛	6	6	
19⅝	12⅞	AMzeA	.52	3.3	22	213	16⅛	16	16	
[illegible]										

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 24

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
[illegible]										

Continued on Page 26

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Feb 23	Varn.
AMCA Int.	22½	-⅛
Abitibi	25¾	-⅛
Agnico Eagle	18½	+⅛
Alberta Energy	18	-⅛
Alcan Alumin	41¾	+¼
Algoma Steel	26⅛	-⅛
Asbestos	9½	-
Bk Montreal	26¼	-⅛
Bk Nova Scotia	13¾	-
Bell Canada	30¾	+½
Bombardier A	17	-
Bow Valley	23⅝	+⅛
B.P.Canada	-	-
Brascan A	35¾	-
Brinco	2.32	-
B. C. Forest	11⅜	+⅛
CIL Inc	29⅞	-
Cadillac Fairv.	10½	+⅛
Can Cement	-	-
Can NW Energy	29⅞	+⅛
Can Packers	27	-½
Can Trustco	48½	+1
Can Imp Bank	30⅞	+⅛
Canadian Pacific	44½	+⅛
Can. P. Ent.	21⅝	-⅛
Can Tyre A	11⅜	-⅛
Carling O'Kfe	21⅛	-
Chieftain	16½	-
Cominco	55⅝	-⅜
Cons Bathst A	25⅝	-
Cosaka Resources	3.8	-0.15
Costain	9⅛	-
Denison Mines	39¾	-⅛
Dofasco	18⅞	-
Dome Mines	19⅝	+⅛
Dome Petroleum	4.05	-0.1
Dominion Strs.	19	+⅛
Domtar	31	-¼
Falconbridge	62	-
Genstar	25	-⅝
Giant Y'knife	28¼	-⅛
Gt West Life	310	-
Gulf Canada	16⅝	+⅛
Hawk Sid Can	16¾	-
Hudson's Bay	21¾	-⅛
Husky Oil	9¾	-⅛
Imasco	32¼	-⅛
Imp Oil A	35⅝	+⅛
Inco	17⅛	+⅛
Indal	11⅜	-
Interpr Pipe	28½	-
LAC Minerals	-	-
Macmil Bloedel	31	+¼
Marks & Spencer	13	-
Massey-Ferg	4.3	-0.15
McIntyre Mines	35⅞	-⅛
Mitel	13⅞	-
Moore Corp	49	-⅛
Nat. Sea Prods A	8	-
Noranda Mines	22⅛	-
Numac Oil	12⅛	-
Nova Alberta	6⅝	-
Nthn Telecom	43⅞	-⅛
Oakwood Pet	8⅛	-
Pancanadian Pet	22¾	+½
Patino	10⅞	-
Placer Devt	21	+⅛
Power Corp Can	18½	-
Quebec Sturgeon	9⅛	-⅛
Ranger Oil	10½	+⅛
Reed Stenhse A	12	-
Rio Algom	16⅛	-⅛
Royal Bank	31	-½
Royal Trustco A	26¾	-
Sceptre Res	5 13	-
Seagram	41⅞	+⅝
Simpson Sears A	-	-
Shell Can Oil	25½	+⅛
Stelco	27⅛	-⅛
Teck B	9⅞	+¼
Texaco (Canada)	37⅝	+⅛
Thomson News A	37½	-
Toronto Dom Bank	16⅛	+⅛
Transalta A	21¾	-
Trans. Can. Pipe	16	+⅛
Walker Hiram	25½	+⅛
Westcoast Trans	14½	+⅛
Weston (Geo)	64½	-1

AUSTRIA

Feb. 23	Price Sch%	+ or —
Creditanstalt	213	......
Goesser	330	+3
Interunfall	410	......
Laenderbank	215	......
Perlmooser	333	-1
Steyr-Daimler	157	......
Veitscher Mag	212	+1

BELGIUM/LUXEMBOURG

Feb. 23	Price Frs.	+ or —
ARBED	1,442	+2
Banq Int A Lux	5,200	......
Bekaert B	3,525	+25
Ciment CBR	2,015	-35
Cockerill	204	......
Delhaize	5,290	+160
EBES	2,310	......
Electrobel	5,970	-20
Fabrique Nat	2,250	+25
GB Inno BM	3,290	+10
GBL (Brux)	2,445	+40
Gevaert	3,030	+15
Hoboken	5,290	+60
Intercom	1,825	+5
Kredietbank	6,900	......
Pan Hldgs	9,560	......
Petrofina	6,930	-10
Royale Belge	8,200	+10
Soc. Gen. Banq	3,220	......
Soc. Gen. Belge	1,720	-5
Sofina	5,430	......
Solvay	3,705	......
Tractionel	3,195	-55
UCB	4,770	......
Vieille Mont	4,095	+15

DENMARK

Feb. 23	Price Knr %	+ or —
Aarhus Olie	420	......
Andelsbanken	264	......
Baltic Skand	665	......
CopHandelsbank	282	+3
D. Sukkerfab	705	-20
Danske Bank	327	+2
East Asiatic	199	-5
Forenede Brygg.	1,100	-45
Forenede Damp.	187	......
GNT Hldg	635	+6
I.S.S.B.	695	+5
Jyske Bank	610	-70
Novo Ind	2,615	-5
Privatbanken	314	+2
Provinsbanken	346	......
Smidth (F)	249	-6
Sophus Berend.	1,295	......
Superfos	515	-15

FRANCE

Feb. 23	Price Frs.	+ or —
Emprunt 4½% 1973	1,981	+41
Emprunt 7% 1973	9,965	-35
CNE 3%	3,380	+5
Air Liquide	507	......
BIC	401	-4.2
Bouygues	658	+3
BSN Gervais	2,455	-6
CIT-Alcatel	1,365	-4
Carrefour	1,481	-32
Club Mediter'n	789	+6
CFAO	531	-13
Cie Bancaire	435	+2
Cofimeg	209.9	......
Creusot Loire	46	-1.5
Darty	798	-83
Dumez S.A.	782	......
Eaux (Cie Gen)	518	+11
Elf-Aquitaine	225.2	-0.8
Gen. Occidentale	597	-1
Imetal	78.3	+0.8
Lafarge Coppee	331	+5
L'Oreal	2,190	+42
Legrand	1,966	-49
Maisons Phenix	280.1	-0.1
Matra S.A.	1,531	+10
Michelin B	884	-6
Midi (Cie)	1,386	+1
Moet-Hennessy	1,356	+1
Moulinex	90.6	-1.4
Nord Est	49.1	-1.9
Pernod Ricard	668	-2
Perrier	462	-7
Petroles Fra.	205	-3
Peugeot S.A.	229	+0.5
Poclain	61	-0.5
Printemps Au.	138.5	-30
Radiotech	365	......
Redoute	1,070	-20
Roussel-Uclaf	739	+9
Schneider S.A.	134.8	+6.9
Sefimeg	250	-0.5
Skis Rossignol	1,255	+5
Telemech Elect.	1,560	+5
Thompson (CSF)	308	+3
Valeo	276	-1.2

GERMANY

Feb. 23	Price Dm.	+ or —
AEG-Telef	99.6	-0.9
Allianz Vers.	796	......
BASF	164.3	-1.5
Bayer	167.8	+0.8
Bayer-Hypo	277.5	-1.5
Bayer-Verein	339	-3
BHF-Bank	285	......
BMW	418	+1.8
Brown Boveri	228.7	+3.5
Commerzbank	184	+2.3
Cont'l. Gummi	130.8	-0.2
Daimler-Benz	573	+6.7
Degussa	382	+6
Demag	146	......
D'sche Babcoc	165	+1
Deutsche Bank	380.8	+1.6
Dresdner Bank	177.5	+3.8
GHH	143	+2.9
Hochtief	491	-4
Hoechst	179.9	+1.9
Hoesch Werke	122	+0.3
Holzmann (P)	439	-1
Horten	197.9	-0.6
Kali und Salz	198	+1
Karstadt	256	+1
Kaufhof	241	-2
KHD	238.5	-1.5
Kloeckner	67	+1.5
Krupp	86	-2
Linde	375	+3
Lufthansa	159.8	-0.2
MAN	136	-3.5
Mannesmann	143.5	+0.4
Mercedes Hld	507	+4
Metallgesell	240	+4
Muench Rueck	1,160	+5
Preussag	275	+1.7
Rhein West Elect	176.5	-0.5
Rosenthal	237	-18
Schering	334	......
Siemens	392.4	-1.1
Thyssen	88.5	+0.7
Varta	177.5	-1.5
Veba	174.5	+1.5
V.E.W	121.5	-1.3
Verein-West	318	+2
Volkswagen	208.5	......

ITALY

Feb. 23	Price Lire	+ or —
Banca Com'le	35,900	+200
Bastogi IRBS	163.4	+9.4
Centrale	1,580	+30
Credito Varesino	4,910	+210
Fiat	4,141	+71
Finsider	43	......
Generali Assicur	38,400	+50
Invest	3,183	......
Italcementi	47,480	+380
Montedison	228	+1
Olivetti	4,199	+14
Pirelli Co	3,188	+39
Pirelli Spa	1,750	+3
Snia BPD	1,810	+22
Toro Assic.	13,250	......
do. Pref.	10,140	-60

NETHERLANDS

Feb. 23	Price Fls	+ or —
ACF Holding	180	-0.5
AEGON	123.5	-0.5
Ahold	211.1	-1.4
AKZO	96.2	-2.9
ABN	392	+2
AMEV	151	-5
AMRO	72.8	-0.2
Bredero Cert	194	-1.5
Bos Kalis Westm.	46.7	-1.1
Buehrmann-Tet.	61	-2.2
Calland Hldgs	36.5	-1.0
Credit Lyon'is Bk	56.2	-2.3
Elsevier-NDU	514	-6
Gist. Brocades	146.5	......
Heineken	138	-2
Hoogovens	45.5	-0.5
Hunter Douglas	23.5	-1.2
Int Mueller	35	-1.5
KLM	171	+1
Naraden	40.8	-1
Nat Ned Cert	216	-6.3
Ned. Credit Bank	39.2	......
Ned Mid Bank	186.5	-3.5
Nedlloyd	111.5	-4.6
Oce Grinten	233	+1
Ommeren (Van.)	28.6	-0.4
Pakhoed	66	-3
Philips	42.8	-0.2
Rijn-Schelde	4.2	......
Robeco	323.5	-2.5
Rodamco	132.5	......
Rolinco	307.5	-1.2
Rorento	201.6	-0.4
Royal Dutch	151	+0.5
Unilever	238	-2
VMF Stork	90	-3
VNU	146	-3.5
West Utr Bank	120	-5

NORWAY

Feb. 23	Price Kroner	+ or —
Bergens Bank	157	+2
Borregaard	267.5	+17.5
Christiania Bk	156	......
Den Norsk Credit	164	-1
Elkem	154.5	+2.5
Norsk Data	269	-1
Norsk Hydro	586	-7
Storebrand	204	-2

SPAIN

Feb. 23	Price Pta%	+ or —
Bco Bilbao	380	+1
Bco Central	330	-4
Bco Exterior	204	-3
Bco Hispano	242	......
Bco Santander	288	-1
Bco Vizcaya	359	......
Dragados	142	+2
Hidrola	53.2	+1.2
Iberduero	57	-0.7
Petroleos	115.5	+2.8
Telefonica	80	......

SWEDEN

Feb. 23	Price Kronor	+ or —
AGA	385	-5
Alfa-Laval	295	+5
ASEA (Free)	400	-20
Astra (Free)	565	-15
Atlas Copco	126	-1
Boliden	408	......
Cardo (Free)	499	-6
Cellulosa	178	......
Electrolux B	272	-1
Ericsson	372	+12
Esselte	325	-5
Mo Och Domsjo	445	-3
Pharmacia	295	+4
Saab-Scania	374	+1
Sandvik	365	......
Skandia	407	-8
Skan Enskilda	370	......
SKF	187	-1
St. Kopparbergs	735	......
Sven Handelsbn.	280	-2
Swedish Match	275	......
Volvo B (Free)	460	-2

SWITZERLAND

Feb. 23	Price Frs.	+ or —
Alusuisse	885	+5
Bank Leu	4,550	-25
Brown Boveri	1,495	+25
Ciba Geigy	2,325	-5
do. (Part Certs)	1,815	-5
Credit Suisse	2,360	......
Elektrowatt	2,640	......
Fischer (Geo.)	670	-2
Genevoise	3,750	......
Hoff-Roche PtCts	101,750	+250
Hoff-Roche 1/10	10,225	+100
Jacobs Suchard	6,675	+25
Jelmoli	1,800	......
Landis & Gyr	1,410	-10
Nestle	4,860	+10
Oer-Buehrle	1,320	+10
Pirelli	251	-1
Sandoz (Br)	6,875	+25
Sandoz (PtCts)	1,070	-5
Schindler (PtCts)	560	+15
Swissair	1,030	......
Swiss Bank	346	-4
Swiss Reinsce.	7,900	......
Swiss Volksbk.	1,470	......
Union Bank	3,560	......
Winterthur	2,950	-10
Zurich Ins.	17,350	-50

AUSTRALIA

Feb. 23	Price Aust $.	+ or —
ANZ Group	5.50	......
Acrow Aust.	1.5	......
Alliance Oil D.	0.84	+0.02
Ampol Pet	1.67	......
Aust Cons Ind	1.77	-0.02
Aust. Guarant	2.85	......
Aust. Nat. Inds	2.45	-0.03
Aust. Paper	2.17	+0.01
Bell Group	6.16	+0.16
Bond Corp Hldgs	1.52	......
Boral	3.32	-0.05
B'ville Copper	2.56	-0.02
Brambles Inds	2.90	-0.1
Bridge Oil	3.25	-0.07
BHP	14.0	+0.05
CRA	5.38	+0.06
CSR	3.75	-0.03
Carlton Utd	3.82	......
Castlemaine Tys.	4.25	-0.03
Coles (G.J.)	3.65	-0.08
Comalco "A"	3.05	-0.05
Consolidated Pet	1.02	+0.02
Costain Aust.	1.3	......
Dunlop Aust.	1.45	-0.05
E.Z. Inds.	5.50	......
Elders IXL	4.30	+0.05
Energy Res.	1.56	+0.04
Gen Prop Trust	1.90	-0.02
Hardie (J.)	3.45	+0.01
Hartogen Energy	2.80	+0.1
HeraldW'y Times	3.12	+0.02
ICI Aust	2.08	-0.08
Jimb'lana(50cFP)	0.35	+0.02
Kia Ora Gold	0.17	......
Lend Lease	4.55	-0.05
MIM	3.38	......
Mayne Nickless	2.30	-0.05
Meekatharra	0.85	......
Myer Emp.	1.82	-0.03
Nat. Com. Bk.	3.55	+0.05
News	10.7	-0.1
Nicholas Kiwi	3.08	+0.05
North Bkn Hill	2.90	+0.04
Oakbridge	0.99	-0.01
Otter Expl	0.78	+0.05
Pancont'l	1.20	-0.05
Pioneer Conc	1.63	-0.02
Reckitt & Coln	2.70	+0.05
Repco	1.22	......
Santos	7.52	-0.04
Smith (H.)	4.05	-0.04
Southland Min'g.	0.32	......
Spargos Expl	0.43	+0.02
Thos. Natwide	2.10	-0.02
Tooth	5.00	......
UMAL Cons.	3.65	......
Vamgas	3.25	......
Western Mining	4.10	......
Westpac	3.75	+0.07
Woodside Petrol.	0.96	......
Woolworths	2.50	-0.02
Wormald Intl	3.40	+0.05

HONG KONG

Feb. 23	Price H.K.$	+ or —
Bank East Asia	28.4	+0.3
Cheung Kong	9.15	+0.15
China Light	12.9	+0.1
Hang Lung Devel	2.2	......
Hang Seng Bank	44.25	+0.75
HK Electric	6.5	+0.1
HK Kowloon Wh.	4.35	+0.08
HK Land	3.60	+0.05
HK Shanghai Bk.	8.75	+0.15
HK Telephone	45.50	+0.25
Hutchison Wpa	16.8	......
Jardine Math.	12.6	+0.1
New World Dev.	3.50	+0.05
Orient O'seas	2.65	......
O'seas Trust Bk.	3.52	+0.05
SHK Props	6.95	+0.1
Swire Pac A.	17.6	......
Wheel'k Mard A.	3.67	+0.07
Wheel'k M'time	2.00	......
World Int. Hldgs.	2.4	+0.1

JAPAN

Feb. 23	Price Yen	+ or —
Ajinomoto	990	-5
Alps Electric	2,620	+10
Amada	1,130	......
Asahi Chem	409	......
Asahi Glass	690	+21
Bridgestone	570	......
Canon	1,430	-30
Casio Comp.	1,430	-20
Chugai Pharm	968	-3
Citizen	639	+13
Daiei	700	+5
Dai Nippon Ptg	950	......
Daiwa House	501	-9
Ebara	335	+2
Eisai	1,130	+30
Fanuc	11,000	-150
Fuji Bank	761	-9
Fuji Film	2,120	+30
Fujisawa	800	-2
Fujitsu	1,310	......
Green Cross	1,580	-30
Hasegawa	393	-2
Heiwa Real Est.	621	-4
Hitachi	824	-3
Hitachi Credit	1,470	+20
Honda	1,020	-10
House Food	805	+10
Hoya	1,680	+20
Itoh (C)	293	+2
Ito-Yokado	2,040	+40
Iwatsu	2,160	+30
JACCS	371	......
JAL	3,250	+50
Jusco	860	......
Kajima	291	-2
Kao Soap	684	......
Kashiyama	616	+4
Kirin	550	-10
Kokuyo	1,070	+10
Komatsu	503	-2

JAPAN (continued)

Feb. 23	Price Yen	+ or —
Konishiroku	650	-3
Kubota	316	-2
Kumagai	440	-1
Kyoto Ceramic	9,960	-100
Maeda Const.	495	-7
Makino Milling	1,320	+10
Makita	1,050	-20
Marubeni	271	......
Marudai	648	+9
Marui	1,160	+10
MEI	1,780	-10
M'ta Elec Works	650	......
M'bishi Bank	765	-4
M'bishi Corp.	520	-1
M'bishi Elec	388	+1
M'bishi Estate	449	-1
MHI	237	+2
Mitsui Co	339	-1
Mitsui Estate	715	+5
Mitsukoshi	362	-1
NGK Insulators	660	......
Nihon Cement	205	-14
Nippon Denso	1,460	-30
Nippon Elect	1,380	......
Nippon Express	280	-1
Nippon Gakki	655	-3
Nippon Kokan	159	-1
Nippon Oil	1,000	-10
Nippon Seiko	560	-8
Nippon Shimpan	722	......
Nippon Steel	162	-1
Nippon Suisan	307	-6
NTV	11,200	-1,050
Nippon Yusen	844	+1
Nissan Motor	702	-6
Nisshin Flour	465	+15
Nisshin Steel	179	-4
Nomura	710	-15
Olympus	980	-20
Omron Tateisi	1,870	......
Orient Leasing	3,210	+70
Pioneer	3,530	-40
Renown	681	-8
Ricoh	1,010	......
Sankyo	670	+20
Sanyo Elect.	537	+4
Sapporo	378	-5
Sekisui Prefab	565	......
Seven-Eleven	8,150	-20
Sharp	1,220	......
Shimadzu	545	+3
Shionogi	703	-3
Shiseido	945	-14
Sony	3,480	-40
Stanley	740	......
S'tomo Elect	655	+22
S'tomo Marine	296	-5
S'tomo Metal	158	+1
Taihei Dengyo	524	+4
Taisei Corp	215	......
Taisho Pharm	934	+14
Takeda	697	-8
TDK	6,640	+10
Teijin	360	-4
Teikoku Oil	686	-12
Tokyo Marine	631	-6
TBS	740	+16
Tokyo Elect Pwr.	1,270	-10
Tokyo Gas	172	-1
Tokyo Sanyo	682	+1
Tokyo Style	990	+5
Tokyu Corp	325	-4
Toppan Print	673	-1
Toray	385	-4
Toshiba Elect.	380	-4
TOTO	545	-8
Toyo Seikan	700	+8
Toyota Motor	1,320	-10
Victor	3,150	+50
Wacoal	725	+20
Yamaha	586	-3
Yamanouchi	1,270	-10
Yamazaki	768	+3
Yasuda Fire	256	-1
Yokogawa Bdge.	450	+2

SINGAPORE

Feb. 23	Price $	+ or —
Boustead Hldgs.	2.85	-0.05
Cold Storage	4.58	-0.08
DBS	9.95	-0.15
Fraser & Neave	6.45	+0.05
Genting	5.66	......
Haw Par. Bros	2.7	+0.02
Inchcape Bhd.	2.87	......
Keppel Shipyard	3.46	+0.02
Malay Banking	9.95	+0.05
Malay Brew.	6.75	+0.05
Multi Purpose	2.02	+0.01
OCBC	11.1	......
OUB	4.5	-0.04
Sime Darby	2.6	-0.02
Straits St'mship.	1.71	-0.02
Straits Trdg.	5.7	-0.05
UOB	5.65	+0.05

SOUTH AFRICA

Feb. 23	Price Rand	+ or —
Abercom	2.8	-0.05
AE & CI	8.1	-0.1
Anglo Am Coal	25.25	+0.75
Anglo Am Corp	23.35	+0.15
Anglo Am Gold	150.25	+0.75
Barclays Bank	19.6	-0.15
Barlow Rand	14.4	+0.1
Buffels	77.6	+0.6
CNA Gallo.	2.6	......
Currie Finance	4.7	......
De Beers	10.45	......
Driefontein	46	+1.5
FS Geduld	54.5	-1
Gold Fields S.A.	31	+0.5
Highveld Steel	5.9	......
Nedbank	15.4	......
OK Bazaars	18	-0.25
Protea Hldgs.	3.50	......
Rembrandt	23.5	......
Rennies	15.25	+0.75
Rust. Plat	14.75	+0.15
Sage Hldgs	6.9	......
SA Brews	7.50	......
Smith (C.G.)	23.5	-0.5
Tongaat Huletts	11.65	......
Unisec.	5.15	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER Nasdaq National Market closing prices

Stock	Sales (Hnds)	High	Low	Last	Chng
CmpLR .12	132	16	14½	15½	+½
CmpPd	115	14⅞	14½	14⅞	+⅜
CmpRs .01e	17	5¾	5½	5¾	-⅛
Cmpum	58	6¼	5¾	6¼	
Cmsrve	60	6	5¾	6	+⅛
Comenr	63	9¼	8⅞	8⅞	
Cmpsrp	18	8½	8½	8½	+⅛
Comtch	142	4⅝	4½	4½	
Concpt	40	9⅝	9⅛	9⅛	-⅛

Stock	Sales (Hnds)	High	Low	Last	Chng
HmgBn .48b	11	29½	29¼	29¼	-⅛
Hurco	8	14	14	14	-⅛
Hybrtc	191	16¼	15¾	15¾	
HydeA s	13	8½	8½	8½	-⅛
HytekM	250	10¾	10	10¾	+⅛

I—I

Stock	Sales (Hnds)	High	Low	Last	Chng
IMS Int .24	518	23⅜	22	22¼	-⅛
IPL Sy	261	4¼	4½	4¼	

Stock	Sales (Hnds)	High	Low	Last	Chng
OffsLog	49	8¼	8	8⅛	-⅛
OhioCa 2.88	1277	43¾	43	43¼	+⅛
OldRep .90b	73	33⅞	33¼	33¼	-⅛
OldSt ptC 2.60	35	20⅝	20	20⅝	+⅜
Omnmd	42	1½	1⅜	1⅜	
Onyx	596	5⅞	5½	5½	-⅛
OpticC s	54	18⅛	18	18⅛	+⅛
OpticR s	245	24¾	23¾	24½	
Orbanc	37	15¾	15⅛	15¾	-⅛

Stock	Sales (Hnds)	High	Low	Last	Chng
Thortec	84	3⅝	3⅛	3⅝	
ThouTr	86	21⅞	21⅛	21⅞	+⅛
TmeFib	879	9⅛	8⅝	8⅞	
Tiprary t	215	6⅜	5⅝	6⅛	-⅛
Tecom	1230	2⅛	1⅞	2	-⅛
TrakAu	37	13	12¾	12¾	
TWsEx	91	1⅛	1⅛	1⅛	

Continued on Page 34

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅞	2¼	USR	ind		6	10	5⅛	5⅛	5⅛	-⅛
24⅛	11½	Ltmre	s		18	198	15⅝	14⅝	15⅛	-⅛
11⅛	11-16	Uncrp	n			170	⅞	⅞	⅞	+1-16

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24⅝	21⅛	Wintin	11			7	23	23	23	+⅛
43½	36	WisP	pf4.50	12		220	37⅞	37⅞	37⅞	+⅛
11⅛	7⅛	Wdstrm	40	4.6	11	15	9	8¾	8¾	-⅛

Continued from Page 25

NEW YORK CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close

Continued from Page 25

Indices

NEW YORK-DOW JONES

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 17	Feb 16	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1134.63	1134.21	1139.34	1148.87	1148.87	1154.94	1286.64 (6/1)	1134.21 (22/2)	1287.2 (25/11/83)	41.22 (2/7/32)
Transport	494.62	494.89	498.53	502.31	502.31	509.06	612.63 (6/1)	494.89 (22/2)	612.63 (6/1/84)	12.23 (8/7/32)
Utilities	123.7	124.86	124.61	124.66	124.66	125.24	134.93 (6/1)	124.61 (21/2)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 10000's†	10022	-	-	-	-	-	-	-	-	-

	Feb 17	Feb 10	Feb 3	(Year Ago Approx)
Ind div yield %	4.78	4.71	4.55	4.83

MONTREAL	Feb 23	Feb 22	Feb 21	Feb 20	1983-84 High	1983-84 Low
Industrials	414.16	414.14	412.97	415.96	451.4(6/1)	412.97(21/2)
Combined	397.97	398.42	397.89	400.55	433.87(6/1)	397.89(21/2)
TORONTO Composite	-	-	-	-	2585.7(6/1)	2408.0(30/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

STANDARD AND POORS

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 17	Feb 16	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	174.39	174.1	174.33	175.58	175.58	175.82	188.84 (6/1)	174.1 (22/2)	183.22 (22/6/83)	3.52 (30/6/32)
Composite	154.29	154.31	154.84	155.74	155.74	156.13	169.28 (6/1)	154.31 (22/2)	172.65 (22/6/83)	4.4 (1/6/32)

	Feb 15	Feb 8	Feb 1	Year Ago (Approx)
Ind div yield %	4.83	4.62	3.88	4.32
Ind. P/E Ratio	12.72	12.84	13.28	11.92
Long Gov Bond Yield	11.73	11.62	11.57	10.92

N.Y.S.E. ALL COMMON

Feb 23	Feb 22	Feb 21	Feb 20	1983-84 High	1983-84 Low
-	-	-	-	442.52 (8/5)	79.79 (2/1)

RISES AND FALLS

	Feb 23	Feb 22	Feb 21
Issues traded	1985	1978	882
Rises	651	432	521
Falls	958	921	71
Unchanged	417	425	400

LONDON STOCK EXCHANGE

MARKET REPORT

ICI results unsettle equity markets generally and index falls 9.5 to close at 806.9

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

Hopes that ICI's preliminary results would revitalise the London equity market were dashed yesterday. The chemical giant revealed annual profits that fell well short of market expectations, although they were up sharply from last year's depressed level of £258m to £619m. Analysts' forecasts for the group had ranged from £630m to £660m so the disclosure—plus a nervous reaction to Plessey's third-quarter results—caused leading shares to beat a hasty retreat.

Unchanged at 604p ahead of the statement, ICI slumped to 574p at one stage before rebounding to 588p, down 16 on balance, following consideration later of the chairman's optimistic profit projection for the current year. There was also a setback in Plessey which, despite nine-month results exactly in line with anticipations, fell 14 to 206p.

Blue chip industrials had earlier ignored Wall Street's fall to a 10-month low, which reflected growing concern about Government economic and financial policies, and opened little altered. The FT Industrial Ordinary share index was only modestly off at 10 am but 10.3 lower at 3 pm before it closed 9.5 down on balance at 806.9. Recovery attempts were frustrated by Wall Street's continued inability yesterday to mount a sustained rallying movement. The new FTSE 100-share index ended 11.3 down at the day's lowest of 1,031.7.

Liquidity shortages inhibited trade in Gilt-edged securities and quotations tended to drift. Falling U.S. bond values and mounting U.S. concern about short-term interest rates were noted but failed to unsettle UK Government stocks. Funds were tied up in the £100m issue of Asian Development Bank 10½ per cent 2009, oversubscribed on application yesterday; dealings in the stock begin this morning. After fluctuating either side of overnight list levels, closing Gilt-edged prices were often a shade easire on the day.

C. & E. Heath dull

Reports of an unsuccessful placing of a sizeable number of C. E. Heath shares at around 330p depressed the price which fell to 318p before closing a net 15 down on the day at 320p. Other Lloyds Brokers gave ground in sympathy with the dollar's current downturn also affecting sentiment. Willis Faber slipped 10 to 678p and Stewart Wrightson gave up 7 at 298p, while Hogg Robinson, 164p, and Sedgwick, 216p, fell 4 apiece. Elsewhere, Commercial Union held the overnight level of 172p following comment on the preliminary results.

The clearers succumbed to the general trend. Midland remained on offer at 393p, down 5, while Lloyds reacted on profit-taking to finish 6 easier at 587p.

Leading Breweries were barely ments were again confined to regionals. Border remained a good market and firmed 10 to 215p—40 above the offer from Forshaws Burtonwood, which were unchanged at 325p. Marstons, tipped as a rival suitor after having acquired just over 8 per cent of Border, attracted "new-time" demand and rose 4 to 68p.

Building Materials issues were often a few pence easier. RMC and Redland shed 4 apiece to 419p and 269p respectively, but Tarmac attracted occasional small buying and added that much at 464p. Barratt Developments came under further pressure and gave up 8 for a two-day fall of 14 to 170p; the interim results are due on March 13. On the other hand, fellow housebuilders Ward Holdings rose 10 to 92p in response to excellent preliminary figures and the Board's confident statement. Renewed demand in a limited market lifted Blockleys 10 to 370p. "New-time" buying left UBM 4 dearer at a 1983/4 of 152p, but Burnett and Hallamshire came back 10 to 180p on end-Account influences. Trent Holdings met with speculative support and rose 4 to 70p.

ICI apart, Chemicals passed a subdued trading session. Movements were usually against holders, but acople of bright spots emerged in Scottish Agricultural Industries, 8 higher at 335p, and Blagden Industries, up 4 more at 124p. Laporte slipped a couple of pence to 363p and Allied Colloids 4 to 313p. Recent favourite Croda International eased 2 to 110p.

BHS dull

Leading Stores contributed to the general malaise, although dealers reported steady after-hours' support at the lower levels House of Fraser, still surrounded by conflicting rumours concerning Lonrho's near-30 per cent stake, dipped to 282p, but rallied to close only 4 off on balance at 286p; Lonrho attained a new high of 159p before settling a net penny up at 156p. British Home came under pressure on talk of adverse circulars in the pipeline and finished 8 cheaper at 204p.

Jewellers James Walker, having drifted down to 140p earlier, attracted late demand and recovered to finish a net 2 up at 146p, with the non-voting shares also a couple of pence better at 116p, after 110p. Renewed speculative interest was directed towards Mellins, which rose 8 to 70p, while Ramar finally closed a fraction off at 26½p after touching 28½p on the increased interim profits. Ladieswear retailers Martin Ford encountered a lively trade with sentiment buoyed by a newsletter recommendation to close 2½ up at a new 1983-84 peak of 31p.

Shoes were mixed. Newbold and Burton firmed a couple of pence to 75p following the sharply increased annual profits, but Strong and Fisher met with profit-taking and fell 8 to 198p. Stylo eased 7 more to 243p following the Ziff families' rebuttal of the Harris Queensway bid.

Despite third-quarter figures in line with market expectations, Plessey fell away to close at around the day's lowest of 206p, down 14. Among other Electrical leaders, Racal recorded a fall of 7 to 209p and GEC settled a couple of pence cheaper at 174p. Elsewhere, lack of support left NEI 5 lower at 86p. Unlisted securities recorded some noteworthy gains, however. Acorn Computer, down to 133p after the interim figures, rallied smartly to close 5 up on balance at 151p. Continental Microwave advanced 20 to 400p. Renishaw put on 8 to 213p and SCUSA 9 to 122p.

Light offerings and lack of support made for dull conditions in the Engineering leaders. Hawker reacted 12 to 386p and GKN closed 6 cheaper at 198p, after 195p, but TI, still sustained by recent bid rumours, closed unaltered at 246p, after 250p. Scattered losses elsewhere included Babcock, 6 cheaper at 164p, and Davy Corporation, 5 lower at 64p. Stothert and Pitt drifted back 6 more to 150p awaiting today's preliminary figures.

Foods held up well. Support was again forthcoming for Dee Corporation which added 5 more to 480p. Pyke Holdings rose 8 to 200p, while Bernard Matthews attracted revived interest and, in a restricted market, gained 7 to 169p. Occasional buying lifted Park Foods 4 to 83p, while USM quoted Canvermoor firmed 5 to 110p; the latter is seeking a full Stock Exchange listing.

Leading Hotels and Caterers displayed moderate falls. Grand Metropolitan shed 7 to 346p and Trusthouse Forte slipped 4 to 210p. Ladbroke gave up 5 to 234p; the group has increased its offer for Turf Paradise, the U.S. race track owner, from $7 per share to $8.75 per share and secured the latter's agreement. Second-line Hotels, recently buoyant on takeover speculation, eased on end-Account profit-taking. Norfolk Capital relinquished 4 to 69p and De Vere came back 12 to 290p. Queens Moat Houses, on the other hand, attracted a brisk business and touched a 1983-84 peak of 48p before closing 2 dearer on balance at 47p. Comfort International also added 2, to 39½p.

Bath & Portland up

Losses in the miscellaneous Industrials leaders were usually modest. Falls of around 4 were recorded in Boots, 170p, BTR, 420p, and Bowater, 257p. Beecham, however, hardened a penny to 292p, with sentiment helped by the acquisition of an 82 per cent holding in Dr Zambeletti SPA, an Italian pharmaceutical company, for £41.4m. Elsewhere, Bath and Portland stood out with a rise of 13 to 164p, after 166p, on further consideration of the preliminary figures. Booker McConnell, the subject recently of U.S. bid rumours, were relatively lively and touched extremes of 108p and 113p before settling a couple of pence dearer at 111p. Other potential bid candidates to make headway included Metal Closures, up 4 more at 172p, and W. Canning, a like amount higher at 107p, but Chubb encountered selling after the recent speculative advance and eased 6 to 161p. Reed Executive, which announced a sharp recovery in annual profits last week, met revived buying interest and put on 7 to a new 1983-84 peak of 107p. BET ran back 8 to 272p, while Armour Trust, bought earlier in the week on talk of an assets injection, reacted 1½ to 33½p.

Pavillion Leisure encountered fresh speculative support and touched 54p before closing a net 5 up at 50p.

Among Motors, AE encountered sporadic selling and fell 4½ to 84p amid revived fears that the Monopolies Commission will veto the offer from GKN. Lucas, 210p, and Dowty, 130p, eased 3 and 2 respectively.

Details of the proposed restructuring of Reuters ahead of the forthcoming public flotation sparked off persistent profit-taking among some of the interested publishers. Fleet Holdings were hardest-hit and closed 11 off at 177p, Daily Mail A fell 15 to 820p and Associated Newspapers eased a few pence to 477p. P.R. agency Valin Pollen, recently appointed to advise on the launch, reacted 7 to 183p. In contrast, BPM provided one of the day's brighter features, advancing 16 to 127p in response to the 158 per cent interim profits expansion. Ault and Wiborg firmed 3 to 47p despite the increased full-year deficit and omitted dividend; the offer from Sun Chemical of the U.S. of 46p per share via a scheme of arrangement failed to gain a sufficient majority at yesterday's meeting to become effective and Sun will stand in the market until March 9 offering to purchase Ault shares at 46p each.

Leading Properties closed a shade easier in places, although little selling developed. Elsewhere, United Real continued to reflect the excellent half-year figures and rose 5 more to 470p, while fresh buying in a market short of stock lifted Percy Bilton 6 to 236p. Amalgamated Estates attracted "new-time" buying and gained 1½ to 13p.

F. Miller, recently the subject of an unsuccessful bid from Nottingham Manufacturing, hardened a couple of pence to 47p, a fraction below the agreed share-exchange terms from Vantona Viyelae, 6 off at 215p.

Irish oils rally

Exploration news dominated oils. Irish issues fell sharply in the early trade reflecting continuing fears that Atlantic Resources may need to raise further funds for its share of drilling costs off the south-east coast of the Irish Republic following persistent technical difficulties, but rallied strongly on rumours that the problems have been overcome. After dipping below the 400p level Atlantic recovered sharply to close a net 30 higher at 455p. Aran, down to 58p at one stage, picked up to end the day 2 up on balance at 62p. Leading UK issues were easier across the board for most of the day, but staged a modest rally in the after-hours' trading led by Britoil, which were finally unaltered at 247p, after 243p, following an encouraging set of oil flows from the North Sea East Brae appraisal well. Sovereign Oil, which has a 3 per cent stake in the field, rallied from an initial 270p to close a net 10 higher at 285p. On the other hand, investors were disappointed with the results of the exploration well drilled on Block 22/2 in the North Sea—the deepest and one of the most expensive wells drilled on the UK Continental Shelf. Participants in the well included Charterhouse Petroleum, which eased 2 to 140p, and Burmah, 4 down at 180p. BP were finally 5 off at 425p, while similar falls were common to Shell, 630p, Tricentrol, 198p, and Ultramar, 670p.

Contrasting features in Plantations were provided by Hidong which responded to fresh Far-Eastern support and advanced 22 more to 123p, after 125p, and by Inch Kenneth which, having risen spectacularly since the beginning of the year on land development prospects, succumbed to profit-taking and shed 23 to 620p.

Golds below best

South African Golds moved further ahead to touch their best levels since September 13.

The Gold sharemarket rose strongly at the outset, boosted by good overnight U.S. buying and a firm opening in the bullion market, but subsequently ran into persistent and often sizeable profit-taking from recent London and Continental buyers.

The profit-taking was partly offset by reports of U.S. buying in after-hours trading but the latter demand was insufficient to prevent the majority of recent favourites from retreating from their best levels.

The Gold Mines index added 12.8 more at 671.0, extending the rise over the past four days to one of more than 64 points. Bullion was finally $3.375 up at $388.125 an ounce, after $402.5.

Heavyweights were left with gains ranging up to around £2, as in Vaal Reefs, £90⅛ and Western Deep, £42⅝, while among a handful of stocks to move up to 1983-84 highs were Buffels, £44⅜, Driefontein, £25½, and Kloof, £36⅜, all of which showed gains of between ⅛ and ⅜.

South African Financials continued to improve with rises of a point and more common to "Amgold," £84⅛ and Anglovaal, £36½ while "Amcoal" added a half-point at £14.

London issues retreated from a firm opening, Charter slipping back to close a net 5 lower at 238p after a day of active trading, while RTZ were finally a like amount off at 660p and Gold Fields 2 easier at 607p, after 610p. Golds provided the outstanding performers in Australians. In the leaders Gold Mines of Kalgoorlie put on 15 to 660p, Poseidon 7 to 303p, after 306p and Central Norseman 5 to 383p.

The more speculative issues were again highlighted by Whim Creek, which jumped 8 more to a year's best of 272p—a gain of 34 over the past four days

Persistent support of ICI and Lonrho positions boosted contracts transacted in Traded Options to 6,188—the highest so far this month.

FINANCIAL TIMES STOCK INDICES

	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 17	Feb. 16	year ago
Government Secs ...	82.96	82.96	82.98	82.79	82.79	82.89	78.89
Fixed Interest ...	86.99	87.04	87.08	87.03	87.05	87.04	80.48
Industrial Ord....	806.9	816.4	819.3	812.5	816.2	817.9	637.2
Gold Mines ...	671.0	658.2	632.4	616.9	606.7	616.6	625.9
Ord. Div. Yield...	4.63	4.60	4.49	4.53	4.51	4.50	5.08
Earnings, Yld.% (full)	9.53	9.41	9.39	9.46	9.43	9.41	10.83
P/E Ratio (net) (*)...	12.84	13.0	13.03	12.95	12.96	13.01	11.10
Total bargains...	22,650	†22,728	20,532	23,164	22,529	21,405	23,772
Equity turnover £m.	—	279.85	258.41	204.11	267.22	212.68	241.81
Equity bargains ...	—	19,023	18,687	19,918	18,157	18,027	18,430
Shares traded (ml)...	—	151.2	146.8	132.4	174.6	146.1	134.6

10 am 815.5. 11 am 813.9. Noon 813.0. 1 pm 808.5. 2 pm 806.5. 3 pm 806.1.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=12.05.

† Correction.

HIGHS AND LOWS / S.E. ACTIVITY

—	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/55)	49.18 (3/1/75)
Fixed Int..	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (31/1/75)
Ind. Ord....	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

	Feb. 22	Feb. 21
—Daily		
Gilt Edged Bargains ...	159.0	165.4
Equities Bargains ...	123.3	121.1
Value ...	565.6	522.3
5-day Average		
Gilt Edged Bargains ...	159.8	157.5
Equities Bargains ...	121.5	121.3
Value ...	494.1	494.6

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (86)

BANKS (2)
Alexanders Discount; Smith St. Aubyn

BREWERS (1)
Border Breweries

BUILDINGS (3)
UBM; Do. Defd.; Ward Hldgs.

CHEMICALS (2)
Blagden Inds.; Scot. Agricultural

STORES (1)
Ford (Martin)

ELECTRICALS (11)
Acorn Computer; Micro Bus. Systems; Cambridge Elect.; Pericom; Cont'l. Microwave; Pressac; Emess Lighting; Real Time Control; Lec Refrigeration; Telemetrix; MMT Computing

ENGINEERING (8)
Aurora 9pcCv.Cm. Rd.Prf.; Ransomes Sims; Tomkins (F. H.); Baker Perkins; Wadkin; Birmid Qualcast; Wyndham Eng.; Lloyd (F. H.)

FOODS (2)
Dee Corp.; Pyke

HOTELS (2)
Queens Moat; Do. 10½pcCnv. Uns.Ln. '89-91

INDUSTRIALS (13)
Bath & Portland; Metal Closures; Black Arrow; P.H. Industrials; Dwek; R.F.D.; Hyman (I. & J.); Reed Executive; Kleen-E-Ze; Scapa; Low & Bonar; Tove; Man. Ship Canal

LEISURE (3)
MME Facilities; Zetters; TSW

MOTORS (1)
Hurst (Charles)

NEWSPAPERS (3)
BPM Hldgs. A; Do. A; Collins (William)

PAPER (2)
Assoc. Paper; DRG

PROPERTY (3)
City Site Estates; Trafford Park Ests.; Sheafbank Prop.

SOUTH AFRICANS (1)
Barlow Rand

TEXTILES (2)
Allied Textile; Gaskell Broadloom

TRUSTS (10)
Anglo-Int. Div.; Tor Inc.; Cambrian & Gen.; Antofagasta Hldgs.; Jove Inc.; Argyle Tst.; New Throgmorton (1983) Inc.; Duncan (W.) & Goodricke; Shires; Parambe

OILS (2)
Brunswick Oils; Marinex Pet.

OVERSEAS TRADERS (1)
Lonrho

PLANTATIONS (2)
Anglo-Indonesian; Assam-Dooars

MINES (11)
ERGO; Vaal Reefs; Kinross; Balmoral Res.; Buffels; Emperor Mines; Driefontein; Whim Creek; Elandsrand; Eastern Trans. Cons.; Kloof

NEW LOWS (15)

BRITISH FUNDS (2)
Treas. 2½pc IL 2011; Treas. 2½pc IL 2020

AMERICANS (5)
Amer. Express; NYNEX; Hutton (E. F.); Public Serv. Elec. & Gas; Insilco

BANKS (1)
Algemene Bk. Ned.

ELECTRICALS (1)
Utd. Scientific

INDUSTRIALS (5)
Baxter Travenol; Security Services; Securicor; Do. A N/V; Do. A N/V

OILS (1)
Sunmask Pet.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or
[illegible]							
535	Nil	—	225pm	210pm	*Micro Focus 10p	220pm	......
350	Nil	29/2	44pm	28pm	Sketchley	34pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ‖‖ Introduction. * Unlisted Securities Market. § Placing price. †† Official London Listing. ‖ No par value.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 20	Mar 2	May 31	June 11
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9

For rate indications see end of Share Information Service

Stocks favoured for the call included Aran Energy, Westland, Atlantic Resources, Phoenix Assurance, Heywood Williams, A. G. Stanley, Consolidated Gold Mining Areas, Low and Bonar, Elsburg, AE, Cultus Pacific, Spong, Barrie Investment and Finance, I. and J. Hyman, Mersey Docks, Davy, UKO, Amalgamated Estates, Combined English Stores, Yelverton, Rustenburg, Intervision, Barker and Dobson, Bula, Harvey and Thompson, ICI, Dreamland, William Leech, Lonrho, Black and Edgington, Tozer Kemsley and Millbourn, Caparo, Eglinton, TI, Selincourt, Bowater and Gestetner A. No puts were reported, but doubles were taken out in Bowater and Atlantic Resources.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
AE	84	− 4½
Acorn Computer	151	+ 5
Bath and Portland	164	+13
Booker McConnell	111	+ 2
Britoil	247	—
Burmah Oil	180	− 4
Charter Consolidated	238	− 5
Chrterhouse Petroleum	140	− 2
ICI	588	−16
Plessey	206	−14
Queens Moat House	47	+ 2
Randfontein Estates	£110	− 0⅝

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	8	52	43
Corpns. Dom. and Foreign Bonds	5	8	65
Industrials	229	359	825
Financial and Prop.	85	122	338
Oils	20	33	68
Plantations	3	8	9
Mines	83	19	69
Others	33	95	61
Totals	446	696	1,478

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Lonrho	22	155	+ 9
BET Deferred	17	280	+12
Cns. Gold Flds.	17	609	+19
Comrcl. Union	16	172	− 4
Hse. of Fraser	13	290	+14
Micro Focus†	13	220pm	—
Burn. & Halms.	12	190	+10
Steetley	12	264	+12
BTR	11	425	+ 5
Lex Service	11	395	+12
North Kalgurli	11	88	+ 5
Shell Transport	11	635	− 3
Stylo	11	250	—
Alex. Discount	10	575	+ 3

† Nil paid.

FTSE 100 INDEX

Close ... 1031.7 (−11.3)

Day's high ... 1042.1 (9.35)

Day's low ... 1031.7 (15.29)

(Base value=1000 January 3 1984)

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Feb 23 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Feb 22 Index No.	Tues Feb 21 Index No.	Mon Feb 20 Index No.	Fri Feb 17 Index No.	Year ago (approx) Index No.
[illegible]										

FIXED INTEREST

PRICE INDICES	Thur Feb 23	Day's change %	Wed Feb 22	xd adj. today	xd adj. 1984 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Thur Feb 23	Wed Feb 22	Year ago (approx)
[illegible]			

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	13	59	8	68	—	—	$397.50
GOLD C	$375	64	38	40	46	—	—	"
GOLD C	$400	148	17 A	64	27	10	38	"
GOLD C	$425	192	8	64	16	28	26.40	"
GOLD C	$450	230	3.80	—	—	—	—	"
GOLD P	$350	66	2	16	2.50	—	—	"
GOLD P	$375	19	3.90	—	—	3	7	"
GOLD P	$400	541	8.10	6	10.50	2	15	"
GOLD P	$425	21	26 B	—	—	—	—	"
		March		June		Sept.		
SILVER C	$8	9	1.70	25	2 A	7	2.25	$9.65
SILVER C	$9	68	0.85	11	1.10	14	1.50 A	"
SILVER C	$10	36	0.25	142	0.65	45	1.10	"
SILVER C	$11	12	0.11	40	0.40	—	—	"
SILVER C	$13	—	—	20	0.15	—	—	"
SILVER P	$9	3	0.25	—	—	—	—	"
		April		July		Oct.		
ABN C	F.420	77	8.20	10	15	—	—	F.392
AKZO C	F.80	356	19.50	23	26	—	—	F.96.20
AKZO C	F.90	89	12.50	139	18 A	—	—	"
AKZO C	F.100	484	7	273	13.80	14	18	"
AKZO C	F.110	830	4.40	320	8.70 B	55	14.40	"
AKZO C	F.120	502	2.60	432	6.50	48	10	"
AKZO C	F.130	243	1.70	61	4	14	7	"
AKZO P	F.80	332	2.50	278	4.80	—	—	"
AKZO P	F.90	594	5	385	9	—	—	"
AKZO P	F.100	479	11	147	15	—	—	"
AKZO P	F.110	180	17.30	19	22	—	—	"
AKZO P	F.120	148	28	16	28	—	—	"
AMRO C	F.65	84	9.30	2	9.30	—	—	F.73.80
AMRO C	F.80	109	1.90	6	3.20 B	—	—	"
GIST P	F.160	153	1.80	2	4.50	—	—	F.147
HEIN C	F.140	326	8.10	15	12.80	3	15	F.138
HEIN C	F.160	87	3	31	6.80	10	10	"
HEIN P	F.130	131	5	9	6.80	—	—	"
HEIN P	F.140	82	9.20	7	12	—	—	"
HOOG C	F.43.20	76	6.20 B	10	8.50	—	—	F.45.50
HOOG C	F.48.20	72	3.90	102	6.40	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS 20,941

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*426)	390	45	55	—	6	[illegible]	[illegible]
	420	27	33	40	22	[illegible]	[illegible]
	460	8	14	22	48	[illegible]	[illegible]
Cons. Gold (*607)	460	152	157	—	1	[illegible]	[illegible]
	500	112	117	127	4	[illegible]	[illegible]
	550	70	77	85	11	[illegible]	[illegible]
	600	33	42	52	28	[illegible]	[illegible]
	650	12	—	—	60	[illegible]	[illegible]
Courtaulds (*138)	90	49	51	—	0½	[illegible]	[illegible]
	100	39	41	—	1½	[illegible]	[illegible]
	110	30	32	—	1½	[illegible]	[illegible]
	120	21	23	—	1½	[illegible]	[illegible]
	130	13	17	20	4	[illegible]	[illegible]
	140	6	10	15	8	[illegible]	[illegible]
	160	3	5	7	25	[illegible]	[illegible]
Com. Union (*173)	140	36	41	—	1½	[illegible]	[illegible]
	160	19	24	28	6	[illegible]	[illegible]
	180	7	12	17	19	[illegible]	[illegible]
	200	2	5	9	34	[illegible]	[illegible]
G.E.C. (*177)	160	22	30	—	2	[illegible]	[illegible]
	180	10	18	26	9	[illegible]	[illegible]
	200	5	10	16	27	[illegible]	[illegible]
	220	2	6	—	46	[illegible]	[illegible]
	240	1½	—	—	—	[illegible]	[illegible]
Grand Met. (*348)	300	58	63	—	3	[illegible]	[illegible]
	330	30	38	47	7	[illegible]	[illegible]
	360	13	22	30	25	[illegible]	[illegible]
	390	4	—	—	45	[illegible]	[illegible]
I.C.I. (*578)	500	83	—	—	2	[illegible]	[illegible]
	550	34	54	—	11	[illegible]	[illegible]
	600	12	26	38	42	[illegible]	[illegible]
	650	2½	10	16	84	[illegible]	[illegible]
Land Secur. (*262)	214	51	57	—	2	[illegible]	[illegible]
	236	32	38	—	3	[illegible]	[illegible]
	240	29	35	41	4	[illegible]	[illegible]
	257	15	23	—	9	[illegible]	[illegible]
	260	13	21	29	12	[illegible]	[illegible]
[illegible]							

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
[illegible]							

Option		Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
[illegible]							

Feb. 23. Total Contracts, 6,188. Calls 4,542. Puts 1,646

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
104¾	100½	Exchequer 14pc 1984	101½	−⅛	13.86	9.37
98⅝	92½	Exch. 3pc 1984	98⅜	.....	3.05	8.19
102½	100½	Treasury 12pc 1984	101½xd	−⅛	11.82	9.33
107½	104½	Treasury 15pc 1985	105½	.....	14.28	9.52
107	101⅛	Exch. 12pc Cnv. '85	102½xd	−⅛	11.71	9.54
94⅝	88⅝	Treasury 3pc 1985	94⅝	.....	3.17	7.61
102½	99⅜	Treasury 11½pc 1985	102⅜	−⅛	11.23	9.61
102	95	Treas 8¾pcCnv '85	99½xd	.....	8.78	8.95
103¾	100⅛	Exch. 12¼pc 1985	103½	−⅛	11.84	9.94
103⅛	99⅛	Exch. 11¾pc '86	103xd	−⅛	11.41	10.04
102¼	97¼	Treas 10pc Cnv 1986	100⅜	−⅛	9.93	9.60
90¼	85⅜	Treasury 3pc 1986	90¼	.....	3.32	7.84
101½	97⅛	Exch. 10½pc Cv '86	101⅛	−⅛	10.38	9.98
103½	100⅛	Treasury 12pc '86	103¼	.....	11.62	10.33
98¼	94⅜	Treasury 8¼pc '84-86‡‡	98½	−⅛	8.61	9.11
109⅛	105⅛	Exch. 14pc 1986	107¾	.....	12.99	10.55
87⅛	84½	Exch 2½pc 1986	87	−⅛	2.87	7.86
107¾	103⅝	Exch. 13¼pc 1987	106⅛	−⅛	12.45	10.59
100⅛	95⅞	Treas 10¼pc Cnv '87	99½	−⅛	10.30	10.43
86½	80¼	Exchequer 2½pc 1987	86⅛xd	−⅛	2.90	7.79
100⅛	95⅞	Exch. 10½pc 1987	99⅛	−⅛	10.55	10.64
93¼	88⅛	Funding 6½pc '85-87‡‡	92⅝	.....	7.02	9.21
98½	96	Treas 10pc 1987	98¼	−⅛	10.18	10.60
86	80¼	Treasury 3pc 1987	85	.....	3.53	8.15
104⅝	99⅞	Treas 12pc 1987	103⅝	.....	11.58	10.75
94⅞	89⅜	Treasury 7¾pc '85-88‡‡	94¾	−⅛	8.18	9.37
101½	95½	Exch 10½pc '88	99⅛	+⅛	10.55	10.61
98½	95½	Treas 9¼pc Conv '88	97⅛	−⅛	10.01	10.47
82	75¼	Transport 3pc '78-88	82	.....	3.66	7.97
96¾	90¼	Treas. 9½pc '88	95⅛	−⅛	9.94	10.71
106¼	95¾	Treasury 11½pc 1989	102¼xd	−⅛	11.19	10.77
Five to Fifteen Years						
103	94¼	Treas 10½pc 1989	101⅛	−⅛	10.60	10.72
98⅞	96⅛	Exch 10pc 1989	98⅝	−⅛	10.32	10.76
85⅛	76	Treasury 5pc '86-89	85	−⅛	6.01	8.84
114	103	Treasury 13pc 1990‡‡	110⅛	.....	11.96	10.94
110⅞	100⅞	Exch. 12½pc 1990	105⅞xd	.....	11.70	10.95
93¼	86¼	Treasury 8¼pc '87-90‡‡	92	.....	9.13	10.35
66¼	20	Treas 10pc Cv '90 (£65pd)	66⅛	−⅛	10.33	10.68
108¼	97	Treasury 11¾pc 1991	104⅝	−⅛	11.38	11.06
84⅛	74⅜	Funding 5¾pc '87-91‡‡	84¼	.....	7.02	9.28
104	95⅞	Exch. 11pc 1991	104	.....	10.97	10.92
114⅜	102	Treasury 12¾pc '92‡‡	109¾	−⅛	11.74	11.08
100⅝	88¼	Treasury 10pc 1992	96⅛xd	−⅛	10.35	10.65
111¼	98½	Exch. 12¼pc '92	106¼xd	.....	11.53	11.09
117	106½	Exchequer 13½pc '92	111¼xd	−⅛	12.03	11.24
114	101¼	Treasury 12½pc '93‡‡	109½	.....	11.56	11.08
79⅜	71	Funding 6pc 1993‡‡	76¼xd	.....	7.84	9.84
120¾	110½	Treasury 13¾pc 1993‡‡	118⅝	−⅛	11.94	11.15
126¾	112⅜	Treasury 14½pc '94‡‡	120¾xd	−⅛	12.03	11.07
118¼	109⅝	Exchequer 13½pc 1994	118	−¼	11.88	11.22
114⅛	100½	Exch. 12½pc 1994	108¼xd	−⅛	11.54	11.14
94⅜	86¼	Treasury 9pc '94‡‡	92¼	−⅛	9.96	10.52
118¼	98	Treasury 12pc '95	106⅝	−⅛	11.36	11.09
65¾	61½	Gas 3pc '90/95	63¼	.....	4.77	8.12
101¾	88¼	Exch. 10¼pc 1995	97⅛	.....	10.65	10.34
116⅜	106⅛	Treasury 12¾pc '95‡‡	115	.....	11.44	10.97
126¼	110	Treas. 14pc '96	119⅝	.....	11.83	11.16
94⅜	83¾	Treasury 9pc '92/96‡‡	89⅝xd	−⅛	9.98	10.47
133⅜	121¼	Treasury 15¼pc '96‡‡	131¾	.....	12.01	11.13
119¾	109¼	Exchequer 13¼pc '96‡‡	119¼	.....	11.46	10.98
70	58	Redemption 3pc 1986-96	68⅛	+⅛	4.48	6.99
117	107	Treasury 13¼pc '97‡‡	117	.....	11.44	10.93
104½	89½	Exchequer 10½pc 1997	98⅝xd	.....	10.66	10.71
92½	80½	Treasury 8¾pc 1997‡‡	87¼	+⅛	10.01	10.51
132	120¼	Exch. 15pc 1997	131⅞	.....	11.82	11.11
25	24¼	Exch 9¾pc '98 (£25pd)	25	.....	10.33	10.52
78⅜	69½	Treasury 6¾pc '95-98‡‡	76¾	.....	9.05	10.16
138⅝	124¾	Treas. 15½pc '98‡‡	130⅞xd	−¼	11.71	11.00
114½	101	Exch. 12pc 1998	111¼	−⅛	11.05	10.81
99	86¼	Treasury 9½pc 1999‡‡	93⅜	−⅛	10.26	10.49
Over Fifteen Years						
116¾	103¾	Exch. 12¼pc 1999	109¼xd	−⅛	11.05	10.79
104¼	92¼	Treasury 10½pc 1999	102⅛	.....	10.57	10.58
101½	98	Conversn 10¼pc 1999	100¼	−⅛	10.50	10.55
124¼	106	Treas. 13pc 2000	118⅜	−⅛	11.09	10.75
128⅞	113¾	Treas. 14pc '98-01	125¼	.....	11.51	10.95
116⅜	99¼	Exch. 12pc '99-02	110¼	−⅛	10.94	10.68
130	111	Treas. 13¾pc 2000-03	123¼	−⅛	11.21	10.78
114⅞	99¾	Treasury 11½pc '01-04	108⅜xd	.....	10.54	10.35
50⅜	43½	Funding 3½pc '99-04	49⅛	.....	7.16	9.03
122⅛	106½	Treasury 12½pc '03-05	120¼	.....	10.64	10.39
87½	77¼	Treasury 8pc '02-06‡‡	86¼	−⅛	9.62	9.87
117⅜	99	Treasury 11¾pc 03-07	112⅛	.....	10.56	10.37
132¼	115	Treas. 13½pc '04-08	124⅝xd	.....	10.73	10.42
69½	53⅜	Treasury 5½pc '08-12‡‡	61⅛xd	−⅛	8.96	9.43
87⅛	71⅜	Treasury 7¾pc '12-15‡‡	82	−⅛	9.52	9.64
122½	106¼	Exch. 12pc '13-17	121½	.....	10.07	9.98
Undated						
42	35¼	Consols 4pc	40¼	+⅛	10.00	—
37½	31¼	War Loan 3½pc‡‡	36½	.....	9.81	—
47¼	37½	Conv. 3½pc '61 Aft.	44½	.....	8.12	—
32	28¼	Treasury 3pc 66 Aft.	31½	+⅛	9.89	—
25⅞	22¼	Consols 2½pc	25¼	+⅛	9.84	—
26	22⅜	Treasury 2½pc	26	+⅛	10.00	

Index-Linked

1983-84 High	Low	Stock (b)	Price £	+ or −	(1)	(2)
106	98⅜	Tr. 2pc '88 (297.1)	104½	+⅛	3.06	3.85
91⅛	90½	Do. 2pc '90 (333.9)	90½	.....	3.29	3.85
111¾	99⅞	Do. 2pc '96 (267.9)	104½xd	−⅛	3.34	3.63
100	91½	Do. 2½pc '99 (322.9)	96	.....	2.89	3.23
103⅞	93¼	Do. 2½pc '01 (308.8)	95½xd	−⅛	3.17	3.39
95¾	91¼	Do. 2½pc '03 (310.7)	95¼	−⅛	3.14	3.35
107½	94⅜	Do. 2pc '06 (274.1)	98⅜	−⅛	3.04	3.22
104½	91¾	Do. 2½pc '09 (310.7)	94⅞	−⅛	3.05	3.22
109½	99⅞	Do. 2½pc '11 (294.1)	99⅞xd	−⅛	2.99	3.16
100¼	88¼	Do. 2½pc '16 (322.0)	91¼	.....	2.95	3.10
92⅝	91	Do. 2½pc '20 (327.3)	91	−⅛	2.89	3.02

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Bracketed figures show R.P.I. base month for indexing, i.e. 8 months prior to issue. R.P.I. for January 1984: 342.6

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983-84 High	Low	Stock	Price £	+ or −	Int.	Red.
121½	102½	Australia 13½pc 2010	116⅛	+⅛	11.72	11.64
101¾	96½	Do 11¾pc Ln 2015	100⅛	.....	11.35	11.36
101½	85	Euro Inv Bk 11pc Ln 2002	96xd	−¼	11.35	11.41
107¾	103½	Finland 14½pc Ln 1986	107⅝	.....	13.47	10.49
108⅞	90⅛	Int-Am Dev Bk 12½pc 2003	106⅛	+½	11.96	11.89
106¼	105¼	Int. Bank 13½pc 1986	105½	−⅛	12.77	10.52
108¾	104¼	Do. 14pcLn 1987	108⅝	.....	12.89	10.67
103¾	96⅛	Mlysia 12¾pc Ln '88	103¼	.....	11.86	11.23
100¼	77¾	Mex 16½pc 2008	97½	−¼	16.88	16.87
109¼	104¾	N.Z. 14¼pc 1987	109⅛	.....	13.06	10.94
100½	91⅛	Do. 11¼pc 2008	100	.....	11.64	11.66
105⅞	101½	Sweden 13½pc 1986	105½xd	−⅛	12.80	10.44
116⅛	95	Do. 13½pc Ln 2010	112⅛	+⅛	12.14	12.08

CORPORATION LOANS

1983-84 High	Low	Stock	Price £	+ or −	Int.	Red.
101¼	97	Bath 11¼pc 1985	101⅛	.....	11.12	10.47
103½	99¾	Birm'ham 12½pc 1985	102½	.....	12.20	10.27
105⅞	101½	Burnley 13pc 1987	105½	.....	12.32	10.93
100¼	95½	Cardiff 11pc 1986	100¾	.....	10.92	10.65
82	70½	GLC 6¾pc 1990-92	79¼xd	−¼	8.53	10.67
90	82¼	Herts 6½pc 1985-87	89¾	−¼	7.52	10.35
122½	107½	Leeds 13½pc 2006	122¼	.....	11.55	11.38
100¼	97	Liverpool 9¾pc '80-84	100	.....	9.75	9.56
30¼	27½	D. 3½pc Irred.	29¼	−¼	12.35	—
98¾	93¼	Lon. Corp. 9¼pc '84-85	98½	.....	9.39	10.25
98⅜	81¼	LCC 5½pc '82-84	98½	.....	5.58	9.32
86¼	78¾	Do. 5½pc '85-87	86¾	.....	6.33	10.30
85	75	Do 6¾pc '88-90	84¼	−¼	8.09	10.34
26¼	23¼	Do. 3pc '20 Aft.	25½	.....	11.90	—
103	100	Sunderland 12¼pc 1984	101⅞	.....	12.03	9.65

COMMONWEALTH AND AFRICAN LOANS

1983-84 High	Low	Stock	Price £	+ or −	Int.	Red.
84¼	74¼	N.Z. 7¼pc 1988-92	81¼	.....	9.04	10.90
94¼	88¼	Do. 7½pc '83-86	94¾	.....	8.04	10.79
181	158	S. Rhod. 2½pc Non-Ass.	160	.....	—	—
86	74	Do. 3½pc 80-85 Asstd.	84	.....	4.23	15.40
60	44	Do. 4½pc 87-92 Asstd.	60	.....	7.51	12.60
395	321	Zimbabwe Ann (£100pa)	356	.....	—	15.74

LOANS

Building Societies

1983-84 High	Low	Stock	Price £	+ or −	Int.	Red.
100⅛	99	N'wide 11¼pc 19.3.84	100⅛xd	.....	—	—
100⅞	99⅞	Do. 11¼pc 9.4.84	100⅛	.....	11.23	9.73
100⅝	99½	Do. 10¼pc 30.4.84	100⅛	.....	10.67	9.58
100⅝	99⅝	Do. 10⅞pc 29.5.84	100¼	.....	10.85	9.70
100⅞	99½	Do. 10⅞pc 18.6.84	100⅛	.....	10.89	9.60
100⅛	99½	Do. 10⅝pc 9.7.84	100⅛	.....	10.52	9.61
100⅛	99¼	Do. 10⅞pc 30.7.84	100⅛	.....	10.83	9.93
101	100⅛	Do. 11¼pc 20.8.84	100¼xd	.....	11.15	9.66
101	99⅞	Do. 11pc 3.9.84	100¼xd	.....	10.91	9.30
100⅛	99⅞	Do. 10⅜pc 8.10.84	100⅛	.....	10.29	9.91
100⅛	99⅞	Do. 10¼pc 5.11.84	100⅛	.....	10.25	10.07
100⅛	99⅛	Do 10⅛pc 3.12.84	100	.....	10.12	10.04
100⅞	100⅛	Do. 10½pc 24.12.84	100¼	.....	10.47	10.10
Public Board and Ind.						
77½	71¼	Agric. Mt. 5pc '59-89	76	.....	6.64	11.24
37¼	31¼	Met. Wtr. 3pc 'B'	36¼	.....	8.14	10.96
Financial						
98½	92	Inv in Ind 6½pcDb '81-'84	98½	.....	6.46	11.50
106½	96¼	Do. 10½pcUnLn '86	100⅝	.....	10.57	10.90
104	96½	Do. 11pc Uns.Ln. '88	102¼	.....	10.91	10.80
104½	97⅝	Do. 11¾pc Uns.Ln. '90	104¼	.....	11.45	11.10
109	91½	Do. 12½pc Un. Ln. 1992	103xd	.....	12.82	13.00
81½	74½	Do. 7¾pc A Deb '89-92	80½	.....	9.21	11.10
81	70½	Do. 7¼pcADeb. '91-94	76¼xd	.....	9.50	11.10
91½	80½	Do. 9% A '91-'94	86½xd	.....	10.40	11.20
90	72⅛	Do. 8⅞pcLn. '92-97	86½xd	.....	10.26	10.70

FOREIGN BONDS & RAILS

1983-84 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
15	8	Chinese 4½pc 1898	13	.....	—	—
11	10	Do. 5pc 1912	11	.....	—	—
11	8	Do. 5pc 1913	9	.....	—	—
9½	5½	Do. 5pc '25 Boxer	7½	.....	—	—
52	40	Greek 7pc Ass.	52	.....	3.50	16.87
50	41	Do. 6pc 28 Stb. Ass.	50	.....	3	16.02
46	38	Do 4pc Mixed Ass.	46	.....	2	p4.38
52	27	Hung. '24 Ass	52	.....	2.75	15.50
122½	102½	Hydro Quebec 15pc Ln 2011	121½	.....	15	12.60
82	75	Iceland 6½pc '83-88	80	.....	6.5	12.60
111½	98½	Do. 14½pc Ln. 2016	110½	+½	14.5	13.22
90¼	78¼	Ireland 9¾% '91-'96	86½xd	+¼	9.75	11.79
307	275	Japan 4pc '10 Ass	305	.....	—	—
93	81½	Do. 6pc '83-88	84	.....	6	11.20
161	161	Peru Ass. 2007	161	.....	5.22	13.29
$92	$75	Turin 9pc 1991	$92	.....	9	9.78
DM95	DM88	Turin 6½pc 1984	DM95	.....	6.5	13.90

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
57	32½	MCD Group	49		u1.0	2.2	2.9	22.4
		for MMT Computing see Electricals						
29	16	M Y Dart 10p	26	½	20.25	—	1.3	—
212	134	McCrthy Ph 20p	151		7.0	2.8	6.7	6.6
148	128	Macfarlane Gp	143	1	†3.52	2.1	3.5	17.5
46	33	Macllellan 20p	37		d1.5	1.6	5.8	13.3
63	51	Macpherson (D.)	58	-1	4.2	0.6	10.3	(34.2)
56	41	Magnolia Group	55		2.3	3.2	6.0	6.5
72	50	Manders Hldg 10p	55			—	—	58.7
212	65	Man Shp Can £1	212	-5	5.5	◆	3.8	◆
89	48	Marley	89	+1	†2.5	0.5	4.0	(65.7)
49½	30½	Marling Ind 10p	47½		†1.08	1.7	3.3	(21.4)
34	25	Marshall L'sy. 'A'	33		†1.2	—	5	—
70	44	Marshall's Univ	64	+2	B—	—	—	126.3
32½	23	Martin-Black	30		—	—	—	—
£130	£83	Mathews 7¼%	£100		Q7¼%	2.3	17.2	—
356	154	Metal Box £1	346	-10	†11.55	3.2	4.8	(8.5)
172	104	Metal Closures	172	+4	5.7	1.8	4.7	(11.7)
36½	14	Metal Screen 2½p	24		—	—	—	—
19	6	Metamec Jentique	14	-½	0.01	—	0.1	—
147	70	Midland Marts	112		4.0	2.1	5.1	13.4
56	20	Modern Grp 1p	24		†0.19	15.4	1.1	6.0
£271	£150	M'santo Spc 82-6	£198xd		Q5%	—	12.5	—
147	76	Morgan Crucible	138	+1	†7.5	0.6	7.8	(46.8)
90	54	Moss (Robt.) 10p	86		†2.0	2.4	3.3	25.9
245	155	NMW Computers	225		4.0	4.0	2.5	13.9
67	42½	Nash Inds	64	+2	4.0	2.2	8.9	7.4
38	21	Neil & Sp'ncer 10p	37		—	—	—	—
64	45	New Equip 10p	45		1.15	6.8	3.6	5.8
73	20	Nolton	56½	+2½	1.0	2.9	2.5	19.9
175	117	Norcros	165	-1	b7.0	2.3	6.1	9.9
89	46	Nu-Swift 5p	65		2.14	1.5	4.7	20.9
140	90½	Oakwood Grp	95		d6.5	—	9.8	—
125	180	Office & Elect.	182	+2	7.5	2.8	5.9	8.5
750	700	Orillame Intl SA	700		†Q50c	2.2	5.0	9.0
40	13½	Owenstone 12½c	37		†Q3½c	2.8	5.6	6.6
£146	£93½	Ozalid Fin. Cv.	£128		Q9%	—	17.2	—
175	150	PCT Group 10p	173		b4.8	2.1	3.9	16.4
89	45	P. H. Industrials	89	+1	†5.0	2.0	8.0	7.2

LEISURE—Continued

1983-84 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
233	139	L W T "A"	229		11.08	1.8	6.9
*147	42	Leisuretime Int 10p	45		1.8	◆	5.8
54	37	Lowe Factor 10p	54	-1	b1.4	1.6	3.7
142	97	Mngmt Ag. M 10p	136		8.75	◆	9.6
115	52	Medminster 10p	83		4.4	1.7	7.6
170	110	Mrs. World 10p	143		b3.0	2.5	2.8
24½	17½	Nationwide 5p	23			—	—
128	17	Nimslo Int 20c	25		—	—	—
128	45½	Norton Opax 10p	115		u2.17	4.3	2.7
30	22½	Owners Abroad	28¼	-¼	0.5	4.5	2.5
50	35	Photax (Lon.)	44		—	—	—
*147	84	Pleasurama 5p	115		d1.5	4.0	1.9
363	217½	Pleasurama 5p	355		6.5	◆	2.6
173	108	Radio City 'A' NV	140	-5	5.6	1.9	5.7
209	122	Riley Leisure 10p	129	-1	†3.95	1.7	4.4
132	83	Saga Hols. 20p	108		3.75	◆	5.1
515	290	Samuelson Grp £1	340		d12.0	2.7	5.2
130	94	Scott. TV 'A' 10p	129	-1	7.35	2.2	8.1
68	26	SelecTV 10p	33		—	—	—
29	15½	TSW 5p	29	+½	1.2	2.2	5.9
110	30	TVS N/Vtg 10p	107xd		2.0	◆	—
29	19	Telemsn Serv 10p	24½		b0.2	3.3	1.2
100	76	Tottenham Hotspur	84	-1	b4.0	1.9	6.8
144	64	Trid'nt TV 'A' 10p	135xd	-2	5.5	1.8	5.8
180	105	21st Century Dist	105			—	—
160	135	Tyne Tees TV 'A' £1	159		8.25	2.4	7.4
25½	14	Webb (Jos.) 5p	23		d0.51	0.5	3.2
98	75	Zetters 5p	98	+2	†3.1	3.0	4.6

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1983-84 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
81	18	B.L. 50p	64	+1	—	—	—
*68	43	Coleman Milne 10p	62		†1.0	3.7	2.3
255	188	Gen. Mts. Units	255xd		Q12c	—	3.3
347	215	Honda Motor Y50	301	-3	†Q20%	9.1	0.9
81	16	Lotus Car 10p	56		—	—	—
38	12	Reliant Motor 10p	37		—	—	—

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

INSURANCE

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

PROPERTY

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	ACM 20c	17½	+½	—	—	—
52	28	Allstate Expl. NL	32		—	—	—
10½	3¼	Asia Oil & Mins	4½		—	—	—
40	9	Australis Mng. NL	26		—	—	—
35	11	Balmoral Res	35	+2	—	—	—
60	29	Black Hill Mins	36	+2	—	—	—
104	51	Bond Corp	99	+1	Q10c	0.7	6.9
183	116	Bougainville 1 Kina	168	+2	Q15.56c	◆	6.3
396	204	CRA S2	346		tQ3c	—	0.6

Tins

Miscellaneous

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
90	34	Anglo-Dominion	70		—	—	—
93	48	Anglo Utd. Dev.	50	-1	—	—	—
400	180	Centenial Minerals	308	+3	—	—	—
175	60	Colby Res Corp	140		—	—	—
850	315	Cons. Murch. 10c	810		100c	◆	7.2
£18½	£10⅝	Eastern Trans Cons 50c	£18½	+1	Q85c	4.9	2.3
240	170	Hampton Areas 10p	227		3.75	2.1	2.2
215	103	Highwood Res	197	+12	—	—	—
£24½	£17½	Homestake Mining $1	£24	+1	Q20c	—	0.6
495	275	Northgate C$1	335	+45	—	—	—
687	437	R.T.Z.	660	-5	t17.0	2.9	3.7
£148½	£108	Do. 9½% Cv. Ln. '95-2000	£147½		Q9½%	32.5	6.5
190	13	Sabina Inds C$1	95	+3	—	—	—
£11¼	312	Tara Expln. $1	£10		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✝ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	76		Fin. 13% 97/02	£97⅞	
Craig & Rose £1	900		Alliance Gas	85	
Finlay Pkg. 5p	48		Arnott	217	
Higsons Brew	98		CPI Hldgs	84	
Holt (Jos) 25p	890		Carroll Inds	116	
I.O.M. Stm. £1	125		Hall (R. & H.)	61	
			Heiton Hldgs	25	
IRISH			Irish Ropes	54	
			Jacob (W. & R.)	67	
Exch. 12% 1985	£99		T.M.G.	70	
Nat 9¾% 84/89	£86¼		Unidare	77	

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	24
Boots	17	"Lots"	3	Peachey	17
Bowaters	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	5	Mrks. & Spncr	20	**Oils**	
Burton Ord.	30	Midland Bank	42		
Cadburys	11	N.E.I.	10	Bristol Oil & Min.	6
Courtaulds	11	Nat. West. Bank	55	Brit. Petroleum	35
Debenhams	14	P & O Dfd.	22	Burmah Oil	16
Distillers	20	Plessey	20	Charterhall	8
Dunlop	5	Racal Elect.	18	Premier	5
Eagle Star	60	R.H.M.	7	Shell	50
F.N.F.C.	6½	Rank Org. Ord.	19	Tricentrol	20
Gen. Accident	42	Reed Intnl.	34	Ultramar	60
Gen. Electric	17	Sears	8		
Glaxo	75	T.I.	14	**Mines**	
Grand Met.	30	Tesco	16		
G.U.S. "A"	55	Thorn EMI	55	Charter Cons.	22
Guardian	45	Trusthouse	26	Cons. Gold	50
G.K.N.	16	Turner & Newall	8	Lonrho	8
Hawker Sidd	32	Unilever	75	Rio T. Zinc	58

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Colonial Mutual Group
24 Ludgate Hill, EC4P 4BD. 01-248 9861
Capital Life Assurance

Key Inv Fd	—	127.95	....	—
Pcmkr Inv Fd	—	126.46	....	—
Equity Fd	109.86	115.64	....	—
Fxd Int Fd	105.63	111.21	....	—
Propty Fd	102.02	108.44	....	—
Cash Fd	101.43	106.7	....	—
Managd Fd	111.37	117.23	....	—
Col Mut Life (Pension Annuities)				
MdPnCpA/B	99.30	104.54	....	—
MdPnInvA/B	99.57	104.82	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAmAcFb18	—	157.86	....	—
VarAnnFb24	—	34.39	....	—

Continental Life Assurance PLC
64 High St Croydon CR0 9XN 01-680 5225

Equity Acc	180.1	189.6	+2.3	—
Propty Acc	160.6	169.1	+1.3	—
Int Acc	150.0	157.9	+0.8	—
Managd Acc	172.9	182.0	+1.0	—
Spec Sits	128.7	135.5	+0.8	—
Pen Int Acc	142.3	149.8	+0.3	—
Pen Prp Acc	179.0	188.5	+1.5	—
Pens Equity	213.3	224.6	+6.0	—
Pen My Acc	168.8	177.7	+1.3	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 046862-5033

PenMnyAcc	128.4	135.1	....	—

Pension Funds

Cash Cap	98.8	104.1	..	—
Cash Acc	101.6	107.0	+0.1	—
UK Eq Cap	110.1	115.9	−0.3	—
UK Eq Acc	113.1	119.1	−0.3	—
FixedIntCap	102.4	107.8	+0.1	—
FixedIntAcc	105.1	110.7	+0.4	—
IndxLkdCap	89.2	93.9	−0.2	—
IndexLkdAcc	91.8	96.7	−0.1	—
Mixed Cap	103.1	108.6	−0.3	—
Mixed Acc	106.0	111.6	−0.3	—
O'seasFdAcc	99.6	104.9	−0.9	—
O'seas Acc	102.4	107.8	−1.0	—
Property Cap	95.1	100.2	....	—
Property Acc	97.8	103.0	....	—

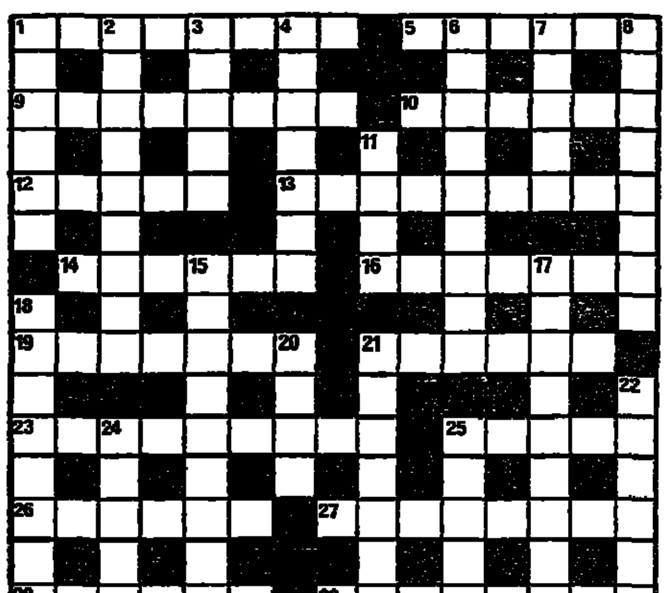
General Portfolio Life Ins Co Ltd
Crossbrook St, Cheshunt, Herts. Waltham Cross 31971

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,351



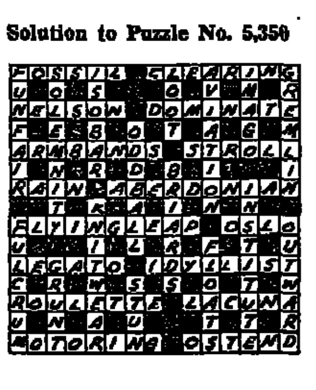
ACROSS

1 Drinking song going around America (8)
5 Iron man? No, lady (6)
9 Understood it's about wrong ideals (8)
10 Kind of robbery most likely to occur during rush hours (4, 2)
12 Not at all the present and past term of agreement (2, 3)
13 Be frightened of arrest (9)
14 We get trained about the way tea's made (6)
16 The Spanish agent has turned smart (7)
19 A political favour? (7)
21 Private servant? (6)
23 Is perhaps disposed to produce objects of worth (9)
25 Mother is surrounded by sailors all coming back for a dance (5)
26 No way out for under-cover activities? (6)
27 Minded being arranged (8)
28 Makes better conclusions about me (6)
29 Cleaners out may use it (8)

DOWN

1 Bill comes up to telephone, showing concern (6)
2 Direction for guardians? (9)
3 One object of alliance (5)
4 Third man had a way with Heloise (7)
6 A run to clinch the match? (9)
7 Clergyman in drink is confused (5)
8 Hasten the construction of a deep exit (8)
11 Quietly look around for a German admiral (4)
15 Guard what one says—it's a good maxim (9)
17 Mass trial arranged for scaremongers (9)
18 Pier gets shaken, but is standing (8)
20 Learning Heather goes out to work for a living (4)
21 Calm down when you have a choice of evils (2, 5)
22 Key man in the penal system (6)
24 Minister of the armed forces (5)
25 A pie's turned brown (5)

Solution to Puzzle No. 5,350



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INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		250.72	.....	—
Managed Inv. Fd.	167.73	176.56	.....	—
Property Fd.	153.15	161.18	.....	—
Fixed Interest Fd.	148.81	156.65	.....	—
Cash Fd	137.97	145.24	.....	—
Income Fd.	196.83	207.19	.....	—
Extra Income Fd.	188.24	198.15	.....	—
Worldwide Growth Fd.	236.57	249.03	.....	—
Balanced Fd.	195.32	205.60	.....	—
Smlr Co's & Recv. Fd	222.01	233.70	.....	—
Int. Technology Fd	270.27	284.49	.....	—
Nth. Amer. & Gen. Fd.	160.43	168.88	.....	—
Energy Int. Fd.	111.90	117.79	.....	—
Pacific Basin Fund	160.26	168.70	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	116.7	122.8	.....	—
Property	119.6	125.9	.....	—
Equity	125.2	131.8	.....	—
International	129.4	136.2	.....	—
Fixed Interest	103.9	109.3	.....	—
Deposit	101.1	106.4	.....	—
Managed Pen. Cap.	116.0	122.1	.....	—
Property Pens. Cap.	120.5	126.9	.....	—
Equity Pens. Cap.	120.0	126.3	.....	—
Intnl. Pens. Cap.	133.2	140.2	.....	—
Fixed Int. Pens. Cap.	100.0	105.3	.....	—
Deposit Pens. Cap.	98.2	103.4	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity 6th Jan 31		107.1	.....	—
Retmt. Fed. Jan. 6		280.5	.....	—
Managed Pen Fund	187.5	197.4	.....	—
Property Pen Fund	117.7	123.9	.....	—
Index Lnkd Pen Fund	112.6	118.5	.....	—
Managed	127.2	133.9	-0.5	—
Property	106.4	112.0	+0.1	—
Gilt and Fixed Interest	108.8	114.6	.....	—
Index-Linked	97.3	102.5	.....	—
Equity	127.4	134.2	-0.8	—
Cash	106.4	112.0	.....	—
Midland Bk. Unit Tst.	126.2	132.9	.....	—
Midland Bank Intnl.	144.9	152.6	.....	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£40.53	—	+0.12	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	123.4	129.9	-0.4	—
GT Pln High Yld Fnd	130.4	137.3	.....	—
GT Plan Far East Fnd	126.7	133.4	.....	—
GT Plan N. Am Fd.	124.9	131.5	.....	—
GT Pln UK&G.E. Fnd	148.2	156.1	.....	—
GT Pln Wrldwde Fnd.	146.2	153.9	.....	—
GT Pension Bnd Fnd.	134.9	142.0	-0.6	—
GT Pen High Yld Fd	150.0	157.9	.....	—
GT Pen Far East Fd	156.7	165.0	.....	—
GT Pen N. Am. Fd.	175.1	184.4	.....	—
GT Pen UK & G.E. Fd	171.5	180.6	.....	—
GT Pen Worldwide Fd.	156.9	165.2	.....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	172.0	181.1	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		258.8	.....	—
Portfolio Fd. Init.		210.8	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	276.3	291.1	-0.3	—
Money Fd	157.6	165.9	+0.2	—
Equity Fd.	229.2	241.5	-4.6	—
Fixed Int. Fd.	119.8	126.2	+0.3	—
Property Fd.	176.2	185.7	+0.9	—
Managed Pen. Fd.	271.6	286.2	.....	—
Equity Pension Fd	175.2	184.5	.....	—
Fixed Int. Pen. Fd.	168.6	177.7	.....	—
High Yield Pen. Fd.	164.4	175.3	.....	—
Money Pension Fd.	131.4	138.3	.....	—
Property Pension Fd.	129.3	136.2	.....	—
Gresham/Framlington				
American & Gen. Fd.	217.9	229.6	-3.1	—
Income Fd	207.6	218.8	.....	—
Int'l. Growth Fd	260.4	274.4	-0.1	—
Capital Fund	215.4	227.0	+0.6	—
Recovery Fund	160.7	169.5	-0.7	—
Japan & Gen Fd	96.2	101.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1.596	—	.....	—

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OFFSHORE AND OVERSEAS

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COMMODITIES AND AGRICULTURE

Oil futures cash settlement plan

BY JOHN EDWARDS, COMMODITIES EDITOR

THE introduction of a cash settlement, as an alternative to physical delivery, is being considered by the International Petroleum Exchange as a means of reviving interest in the London crude oil futures contract, it was announced yesterday.

The crude oil futures market, launched last November, has failed to attract much support with turnover at a low ebb. One of the problems has been the difficulties involved in making and taking small deliveries in particular. Crude oil is normally traded in large volume cargoes so it is impractical to make small deliveries.

The exchange is, therefore, looking at bringing in cash settlement primarily as an alternative to small deliveries to give the contract greater flexibility. It does not intend to have cash settlement only. The main problem is deciding on an acceptable pricing basis for cash settlement. The introduction of a cash settlement may also pave the way for other posible changes that have been suggested for generating greater interest.

One possible change would be to have Sullom Voe, the main North Sea oil terminal, as an alternative delivery point. Another would be to base the contract purely on Brent Blen, the North Sea reference crude. The existing contract allows for the delivery of a variety of blends, fob Rotterdam, with premiums and discounts published by the exchange each month.

If a cash settlement is introduced it would be the first one for a physical commodity futures market in London, although a cash settlement is already used for the gilts contract on the London International Financial Futures Exchange (Liffe).

Cash settlement was introduced on a physical commodity market for the first time last year on the potato futures contract on the New York Mercantile Exchange (Nymex). It has not been a great success. But Nymex's crude oil futures contract, launched last year, has proved very successful indeed, with turnover building up rapidly.

Peru halts metal sales

BY OUR COMMODITIES EDITOR

CENTROMIN, Peru's biggest state-owned mining company, yesterday declared *force majeure* on shipments of all its metals, apart from silver. The company said landslides and rainstorms had blocked rail and road routes to the coast from the mines in the Andes. It will, however, use airplanes to meet its silver delivery comitments.

Mineroperu declared *force majeure* on its zinc delivery commitments last week because of flooding at its Cajamarquilla mine. It means that no zinc is now coming from Peru, the world's third biggest producer. The Centromin announcement, which initially only referred to zinc shipments, helped rally zinc values on the London Metal Exchange. The three months quotation fell to a low of £665 at one stage before recovering to close at £674 a tonne, still £3.75 down on the previous day.

However, after the market closed Amax said it had reached a tenative agreement on new labour contracts for workers at Sauget zinc refinery in Illinois.

Sugar beet sowings in EEC likely to increase

By Our Commodities Staff

WESTERN EUROPEAN sugar beet sowings are likely to rise 3.4 per cent to 2.65m hectares, with Eastern Europe's 0.04 per cent higher at 4.91m hectares, according to F. O. Licht, the West German statistical organisation.

Plantings in the EEC are estimated to be 3.05 per cent higher at 1.73m hectares and assuming normal yields the Community's crop may rise to 12.9m tonnes in 1984/85 from 11.7m tonnes in 1983/84, Licht said.

It estimated Soviet sowings in 1984 at 3.54m hectares, compared with 3.53m last year.

The India sugare output in the first four months of this season, which began on October 1, dropped to 2.77m tonnes from 3.25m in the corresponding period of the previous year, the Indian Sugar Mills Association said.

● INTERNATIONAL Tea Committee celebrated its 50th anniversary yesterday, with the publication of a special booklet reviewing the past 50 years in the trade. The committee, financed by tea importers and 3.4 per cent to 2.65m hectares, exporters, publishes monthly statistics on world production and consumption and an annual consumption and an annual statistical bulletin.

● PERU'S coffee exports in the 1984/85 season are forecast at 950,000 bags (60 kilos each), down from the 980,000 bags estimated for 1983/84, but still sharply above the 693,000 bags in the 1982/83 season, the U.S. Agriculture Department's attache in Lima said.

● THE U.S. may have to subsidise some of its farm products in order to make its point about EEC trade practices, Mr John Block, the U.S. Agriculture Secretary, warned

Farmers are feeling beleaguered by political events. **John Cherrington** reports

A fatalism about the future

IF ALL one reads in the press is to be believed, farmers are in for a pretty rough time. That the Common Agricultural Policy is running out of cash is stale news. That price restraints and quotas are likely to cut margins to the bone is reiterated so often that these warnings hardly impinge on their thought processes. The president of the National Farmers Union talks of British farming sliding into recession and of the dreadful effects that this will have on the rest of the economy.

There is also the political threat. Mrs Margaret Thatcher and Mr Norman Tebbitt are reportedly examining farming privileges such as derating of land and buildings and VAT zero rating. There is also a marked lack of governmental sympathy in the environment, with all manner of restrictions being put on straw burning, land drainage and many facets of modern farming.

But apart from their elected spokesmen, farmers seem to be almost fatalistically relaxed about their future. I have not met one who shows any signs of voluntarily reducing his output. There is some talk of reducing labour, of making use of contractor services instead of regular hands. Most dairymen are increasingly turning to the Holstein breed of Friesian cow for heavier yields. Cereal farmers are looking for the same results from new strains and better techniques.

They cannot be blamed for this attitude. They have been told so often that the way to reduce costs is to increase yields per unit of production—and until now this advice has been correct—that they cannot change their approach for fear of disasters which may never happen. But it would be disastrous if an individual, unilaterally, were to reduce production while everyone else was increasing theirs.

From this must be excepted pig farmers. After a severe hammering lasting more than two years there are signs that some have had enough. A number have been forced to go out of business and unless things improve a great many more could follow them. That more have not given in is because many of Britain's farms are mixed. Farmers have been prepared to set their pig losses against the arable or milk profits for a while in the expectation that things could improve.

It would be easy to liquidate a pig unit—pigs are saleable at all stages of growth—but it would take 18 months to two years to get one going again. This would entail heavy capital investment even if the buildings remained. The last thing to do in any farming situation is to make abrupt changes as a result of factors which might only be temporary.

There is much the same attitude among other European farmers. They have all read the awful warnings, but beyond wishing to stop the importation of New Zealand butter and lamb and cereal substitutes, their reaction is the same as the British: to increase production. There have been record sales of Holstein semen in Europe this year. The farmers' attitude is encouraged by politicians who should know better. M Rocard, French Minister of Agriculture, speaking in Brussels recently, is reported to have said that the EEC's difficulties were not due to food surpluses but to the inability of developing countries to pay for European supplies. One should not talk of food surpluses, he said, when one-third of the planet suffered from famine and malnutrition.

How long can British farmers go on producing before static or reducing prices force a curtailment in output? No one knows, but the indications are that it could be a long time.

Farmers are very low geared by any standards. Bank borrowings of £5bn are less than 10 per cent of their asset value.

They could find scope to reduce labour costs and capital investment in machinery and buildings. Rents are not as important as they were because only 30 per cent of land is tenanted now. They could also, without detriment to yield, be a bit more economical in the use of fertiliser and chemicals. Price freezes and co-responsibility levies of 2 or 4 per cent, while providing some funds to reduce the subsidy cost, would probably have to reach 15 or 20 per cent to cause any real decline in output of cereals and milk.

Because they are aware that levies of such severity would spark off a revolution in rural Europe, British farmers are content to soldier on in the belief that it will never happen to them. On past experience their complacency could well be justified. But they are worried that the conservationists have got the ear of Mrs Thatcher.

Scottish fish farming 'ready to expand'

BY A CORRESPONDENT

SCOTTISH fish farming is poised to soar to an output value of £50m during the next five years, in spite of the fact that farmers and research specialists were failing to pay enough attention to the quality of their product, producers were told in Oban yesterday.

"Farm-produced fish should be the right size, shape, colour and have superior flesh texture with an above average taste," said Mr Graeme Gordon, Scottish National Farmers Union fish farm convener. "Unfortunately not enough attention is being paid to those points by farmers or research workers."

He told producers at their annual meeting that there was really no reason why their industry should not expand from the present £12m output to at least four times that amount in the next five years, putting the sector into the big league in Scottish food production alongside pig and poultry producers.

The meeting also heard of a plan to turn Scotland's fish farmers into low-cost acid rain inspectors.

Acid rain has been a persistent problem on Scottish farms. "We have offered ourselves to the Department of Agriculture for Scotland as acid rain watchdogs," Mr Gordon said. "We have farms on virtually all the main rivers and, unlike official inspectors, we are with our fish every minute of the year.

"We could provide a low-cost and effective monitoring service if the department was prepared to provide us with basic testing equipment and a central organisation to which to report."

He said he believed acid rain would become a serious problem in Scotland. Coupled with the impact of afforestation, it would do more damage than any pollution caused by commercial fish farming.

Inro appointment expected

BY WONG SULONG IN KUALA LUMPUR

MR PANG SOEPARTO of Indonesia is widely expected to be elected the new executive director of the Kuala Lumpur-based International Rubber Organisation to succeed fellow Indonesian Mr K. Algamar, who is retiring.

The 34-member Inro council, comprising rubber producing and consuming countries, will meet next Thursday to discuss the appointment.

The Inro council ended its last session in December without making a decision because Thailand also put up a strong bid for the job, which is normally reserved for producing members.

Malaysian officials say that during the past few weeks the three South East Asian producing countries have held private consultations and have agreed on Mr Soeparto's appointment.

It is understood that the compromise was reached after Thailand received assurances that the post of secretary general of the Association of Natural Rubber Producing Countries would continue to be held by a Thai.

The Inro council will also review the bufferstock operations. Mr Harvey Adams, Inro's bufferstock manager, holds 270,000 tonnes of stock and producing countries want him to release part of this to test the market.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 23 1984	+ or —	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1550-1560		$1530/580
Copper			

	Feb. 23 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1160v		$1120
Groundnut	$1005x		$1036
Linseed Crude	£397		£444

BRITISH COMMODITY PRICES

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £992, 91, three months £1,016.50, 16, 15, 14, 13.50, 13, 12, 12.50, 12. Kerb: Higher Grade: Three

levels were: spot 975c, up 32.8c; three-month 998.10c, up 33.10c; six-month 1 023c, up 33.50c; and 12-month 1.075.1c, up 35.20c. The metal opened at 677-681p (985-990c) and closed at 660-664p (965-970c).

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
April	208.10	208.90	212.00-208.1
May	235.00	233.00	236.50-232.0
Nov	78.90	78.50	80.00
Feb	88.50	88.00	89.50

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 76.0-83.0. Veal—Dutch hinds and ends 127.0-134.0. Lamb—English small 82.0-88.0, medium 80.0-86.0, heavy 78.0-80.0; Imported: New Zealand PL 58.3-59.3, PX 55.5-56.5. Pork—English under 100 lb 54.0-57.0, 100-120 lb 52.0-56.5, 120-160 lb 44.0-52.0.

SPOT PRICES

Arabian Light	28.45-28.55	+0.03
Iranian Light	27.60	—
Arab Heavy	26.55-26.70	+0.02
North Sea (Forties)	29.50-29.65	+0.02
North Sea (Brent)	29.55-29.75	—0.05
African Bonny Li'ht	29.60-29.80	—0.05

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	273-277	+1.5
Gas Oil	250-253	—1
Heavy fuel oil	171-176	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb	243.50	—	243.50-240.5
Mar	241.75	+0.25	242.25-239.5
April	240.00	+1.25	240.00-237.2
May	237.25	+1.00	237.50-235.0
June	236.50	+0.50	236.50-234.5
July	238.00	+2.00	238.25-236.0
Aug	239.00	+0.50	239.00-238.0
Sept	239.50	+0.50	—
Oct	240.50	—1.50	—

Turnover: 1,790 (1,514) lots of 100 tonnes.

GOLD MARKETS

Gold rose $3½ an ounce from Wednesday's close in the London bullion market yesterday to finish at $397¾-398½. The metal opened at $402-403, which proved to be the day's high, and reached a low of $397-397¾ at one point.

In Frankfurt the 12½ kilo bar was fixed at DM 34,210 per kilo ($400 per ounce) against DM 33,795 ($393.52) and closed at $397½-398.

In Paris the 12½ kilo bar was fixed at FFr 105,200 per kilo ($398.78 per ounce) in the afternoon compared with FFr 105,000 ($398.41) in the morning and FFr 104.500 ($394.64) on Wednesday afternoon.

In Luxembourg gold was fixed at the equivalent of $399.50 per ounce and in Zurich it closed at $400-401 per ounce.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Feb	401.50-03.00		—
April	401.10-01.40	+1.40	406.20-00.70
June	407.60-08.10	+1.65	409.50
Aug	413.80-15.00	+1.15	416.50
Oct	420.50-21.80	+1.15	—
Dec	427.50-29.00	+1.25	—

	Feb. 23		Feb. 22	
Gold Bullion (fine ounce)				
Close	$397¾-398½	(£272-272¼)	$394½-395	(£271½-272)
Opening	$402-405	(£276¼-277)	$389½-390	(£268¾-269¼)
Morning fixing	$399.75	(£273.839)	$392	(£270.345)
Afternoon fixing	$398.25	(£272.123)	$395.25	(£271.649)

Gold and Platinum Coins Feb. 23

Krugrnd	$410-410½	(£280½-280¾)	King Sov	$94½-96	(£64¾-65¾)
½ Krug.	$211½-212	(£144¾-145)	Victoria Sov	$94½-96	(£64¾-65¾)
¼ Krug.	$108-108¾	(£73¾-74½)	French 20s	$78½-80¾	(£53¾-55¼)
1/10 Krug.	$42-42¾	(£28¾-29¼)	50 Pesos Mex	$497-500	(£340-342)
Mapleleaf	$409¾-410½	(£280¼-280¾)	100 Cor Aust	$392-396	(£268-270¾)
New Sov	$93½-94¼	(£64-64½)	$20 Eagles	$560-570	(£383-389¾)
½ New Sov.	$56¼-57	(£38½-39)	Noble (Plat.)	$411¾-416¾	(£281½-284½)

EUROPEAN MARKETS

ROTTERDAM, February 23.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter March 152.50, April 152.50, May 153, June 15/July 15 145. U.S. Two Northern Spring 14 per cent protein Feb 189.75, April/May 174.50, May 174.50, June 173.50, July 172.50, Aug 169, Sept 167.50, Oct 168. U.S. Three Amber Durum April/May 187 June 187, July 185, Aug 181, Sept 175, Oct 177, Nov 182. Canadian One Western Amber Durum April/May 200, June 199, Nov 195.

Maize — (U.S. $ per tonne): U.S. Three Yellow Feb 154.50, March 150.50, April/June 15, July/Sept 149, Oct/Dec 133.50 sellers. Argentine Plate mid-Feb/mid-March 159, April/June 161 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports. March 298.25, April 297.75, May 298.50, June 299, July 300.25, Aug 300.25 Sept 292.25, Oct 279.25, Nov 279.25, Dec 282.50, Jan 288.25, Feb 290.70 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 222, Feb 221, March 220, April 224, April/Sept 228, Nov/March 230 sellers. Pellets Brazil afloat 240, March 237, April 238, May 236, April/Sept 235, Oct/Dec 244 sellers. Pellets Argentine afloat 229, Feb 230, March 230, May/Sept 228 sellers.

AMERICAN MARKETS

NEW YORK, February 23.

Aluminium prices were sharply lower on a continued build-up in Comex stocks and on steady long liquidation ahead of March deliveries, reports Heinold Commodities. Copper prices were moderately lower on the weaker tone of the stock market but pared their early losses on reports of force majeure in Peruvian mines. Sugar was under pressure following a private estimate of an increase in European beet plantings this spring. Coffee prices rallied sharply on a lack of delivery notices which is indicative of tight nearby supplies. Cocoa prices advanced on commission house short-covering and on strong arbitrage support as manufacturer pricing developed. Cotton was very strong on light deliveries and on delayed reaction to a favourable consumption report.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	67.70	70.40	67.60	70.35
April	68.45	—	—	70.80
May	68.60	71.20	68.65	71.20
July	69.65	71.70	70.20	72.20
Sept	70.60	72.60	72.20	73.15
Dec	72.40	74.10	74.10	74.65
Jan	72.60	—	—	75.15
March	73.60	—	—	76.15
May	74.60	—	—	77.15

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	977.5	—	—	972.5
March	978.0	982.0	957.0	973.0
April	986.3	—	—	981.3
May	994.7	989.0	974.0	989.6
July	1011.7	1015.0	990.0	1006.4
Sept	1029.0	1031.0	1012.0	1023.5
Dec	1055.5	1062.0	1035.0	1049.7
Jan	1064.5	—	—	1058.5
March	1083.0	1085.0	1067.0	1076.9
May	1102.5	1100.0	1090.0	1095.5

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to fall

The dollar continued to retreat on the foreign exchanges yesterday as the market focused its attention on the very large U.S. deficit highlighted in the recent testimony to Congress of Mr Paul Volcker, chairman of the Federal Reserve Board. Sentiment moved against the dollar at the beginning of the month following Mr Volcker's comments about the possibility of the U.S. becoming a major international debtor, and apart from the respite at the beginning of this week on growing instability in the Middle East, the currency has shown a steadily weaker trend.

A rise of 1.1 per cent in U.S. January durable goods orders was in line with expectations, and had little impact. It did however confirm fast economic growth, and reinforced market fears about inflationary pressures in the U.S.

Th dollar fell to DM 2.6535 from DM 2.6635 against the D-mark; FFr 8.1750 from FFr 8.2125 against the French franc; and SwFr 2.1865 from SwFr 2.1925 in terms of the Swiss franc, but rose to Y233.35 from Y233.20 against the Japanese yen. On Bank of England figures the dollar's trade-weighted index fell to 128.0 from 128.1.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. January average 1.4080. Trade-weighted index 82.7, compared with 82.8 at noon, 82.3 at the opening, 82.4 at the previous close, and 85.7 six months ago.

Sterling opened at $1.4550-1.4560, and fell to an early low of $1.4525-1.4535. Heavy fighting in the war between Iran and Iraq and the associated threat to supplies of oil to the West from the Gulf quickly lifted the pound however and it touched a peak of $1.4650-1.4660 in the afternoon, before closing at $1.4620-1.4630, a rise of 1.15 cents on the day, and the highest closing level since last November. Sterling also rose to DM 3.8825 from DM 3.8675; FFr 11.9525 from FFr 11.9150; SwFr 3.20 from SwFr 3.1825; and Y341.50 from Y338.50.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. January Average 2.8109. Trade-weighted index 127.0 against 126.4 six months ago.

The D-Mark was very firm at the Frankfurt fixing, weakening only against the strong pound. The dollar fell to DM 2.6603 from DM 2.6708 without any intervention by the Bundesbank. It opened at DM 2.6610 and fell to a low of DM 2.6540 in the first hour's trading. The market was waiting to see whether the figures on durable goods and money supply in the U.S. had any influence on trading. The Belgian franc fell to DM 4.8830 per 100 francs from DM 4.8840, but remained above its lower intervention point of DM 4.8820. The Dutch guilder weakened to DM 88.57 per 100 guilders from DM 88.655, while the French franc was unchanged at DM 32.415 per 100 francs and sterling rose to DM 3.8910 from DM 3.8710.

ITALIAN LIRA — Trading range against the dollar in 1983-1984 is 1,720.75 to 1,343. January average 1,706.89. Trade-weighted index 48.7 against 50.6 six months ago.

The lira improved against the dollar, Swiss franc and Japanese yen at the Milan fixing, but lost ground to most EMS currencies. The D-mark rose to a record high of L619.83 from L619.24, and the Dutch guilder to the highest ever L549.23 from L548.99. The French franc climbed to L201 from L200.69, and the Belgian franc to L30.264 from L30.237. Outside the EMS the dollar fell to L1,646.50 from L1,653; the Swiss franc to L753.41 from L753.50; and the yen to L7.064 from L7.096. The Bank of Italy sold $11.2m of the $16.9m traded officially at the fixing, but did not intervene in the DM 19m exchanged in official dealings.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8804	+2.18	+1.88	±1.5447
Danish Krona ...	8.14104	8.21928	+0.96	+0.66	±1.6425
German D-Mark	2.24184	2.24085	−0.04	−0.34	±1.0642
French Franc ...	6.87456	6.91197	+0.54	+0.24	±1.4052
Dutch Guilder ...	2.52595	2.53216	+0.25	−0.05	±1.4964
Irish Punt	0.72569	0.728989	+0.45	+0.15	±1.6689
Italian Lira	1403.49	1389.96	−0.96	−0.96	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Feb. 23	Prev. close
Spot	$1.4535-4545	$1.4510-4520
1 month	0.08-0.11 dis	0.08-0.10 dis
3 months	0.32-0.36 dis	0.31-0.33 dis
12 months	1.70-1.80 dis	1.52-1.57 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Feb 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4625-1.4660	1.4620-1.4630	0.07-0.12c dis	−0.78	0.30-0.35dis	−0.89
Canada	1.8120-1.8280	1.8260-1.8270	0.05-0.15c dis	−0.66	0.28-0.38dis	−0.72
Nethlnd.	4.34¾-4.40¼	4.37¾-4.38¾	1½-⅞c pm	3.08	3¾-3⅝ pm	3.19
Belgium	78.90-79.75	79.45-79.55	25-35c dis	−4.53	73-83 dis	−3.93
Denmark	14.10-14.27¾	14.21¼-14.22¼	1⅞-2⅛ore dis	−1.95	5⅝-6⅞ dis	−1.76
Ireland	1.2580-1.2650	1.2615-1.2625	0.27-0.35p dis	−2.95	0.88-1.00dis	−2.98
W. Ger.	3.85½-3.90	3.87½-3.88½	1⅝-1⅛pf pm	3.48	3⅞-3 pm	3.35
Portugal	191.95-195.00	193.50-194.00	285-560c dis	−25.55	700-1365dis	−21.32
Spain	221.00-223.20	222.65-222.85	170-195c dis	−9.83	540-590dis	−10.14
Italy	2,390-2,414½	2,400½-2,402½	15-17 lire dis	−7.99	50-52 dis	−8.50
Norway	11.06¾-11.14¾	11.10-11.11	3½-3⅞ore dis	−3.78	10¼-10⅞dis	−3.76
France	11.88¾-12.01¼	11.94¾-11.95¾	7½-8½c dis	−8.03	29-30 dis	−9.87
Sweden	11.49¼-11.60½	11.53½-11.54½	1⅝-2⅛ore dis	−1.95	4½-5⅛ dis	−1.67
Japan	338½-342½	341-342	0.72-0.64y pm	2.39	2.36-2.24 pm	2.69
Austria	27.20-27.48	27.35-27.40	7⅝-6⅝gro pm	2.90	23⅛-18⅛ pm	3.04
Switz.	3.17½-3.21½	3.19½-3.20½	1⅝-1⅛c pm	5.62	4⅝-4⅛ pm	5.47

Belgian rate is for convertible francs. Financial franc 82.70-82.80. Six-month forward dollar 0.72-0.77c dis, 12-month 1.60-1.70c dis.

THE DOLLAR SPOT AND FORWARD

Feb 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4525-1.4660	1.4620-1.4630	0.07-0.12c dis	−0.78	0.30-0.35dis	−0.89
Ireland†	1.1550-1.1610	1.1560-1.1570	0.22-0.19c pm	2.12	0.68-0.60 pm	2.21
Canada	1.2490-1.2495	1.2490-1.2495	0.02c pm-par	0.10	0.08-0.06 pm	0.22
Nethlnd.	2.9935-3.0060	2.9945-2.9965	1.00-0.90c pm	3.81	3.14-3.04 pm	4.13
Belgium	54.20-54.60	54.36-54.38	16-18c dis	−3.76	38-42 dis	−2.94
Denmark	9.7170-9.7550	9.7250-9.7300	0.20ore pm-0.30d	−0.06	¼ pm-¼ dis	—
W. Ger.	2.6430-2.6630	2.6530-2.6540	0.92-0.87pf pm	4.05	2.87-2.82 pm	4.29
Portugal	132.30-133.50	132.35-132.85	175-375c dis	−24.89	450-900dis	−20.39
Spain	152.10-152.55	152.20-152.30	110-125c dis	−9.26	330-370 dis	−9.19
Italy	1,641½-1,649½	1,642-1,643	10¾-11½ lire dis	−8.12	32-32½ dis	−7.88
Norway	7.5900-7.6210	7.5925-7.5975	1.80-2.10ore dis	−3.08	5.30-5.60dis	−2.87
France	8.1450-8.2175	8.1725-8.1775	6-7c dis	−9.55	18-20 dis	−9.30
Sweden	7.8825-7.9230	7.8825-7.8875	0.80-1.00ore dis	−1.37	1.30-1.50dis	−0.71
Japan	233.00-233.75	233.30-233.40	0.63-0.59y pm	3.14	2.11-2.06 pm	3.57
Austria	18.66-18.76½	18.71-18.72	6.10-5.50gro pm	3.72	19.25-17.25pm	3.90
Switz.	2.1775-2.1950	2.1860-2.1870	1.13-1.09c pm	6.10	3.54-3.50 pm	6.45

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.57-56.62.

OTHER CURRENCIES

Feb. 23	£	$		£ Note Rates
Agentina Peso...	41.50-41.58	28.39-28.42	Austria...	27.25-27.55
Australia Dollar.	1.5485-1.5505	1.0585-1.0590	Belgium...	82.30-83.10
Brazil Cruzeiro..	1,682.8-1,692.7	1,151-1,157	Denmark...	14.14-14.28
Finland Marka...	8.3175-8.3485	5.7100-5.7150	France...	11.93-12.04
Greek Drachma.	147.40-147.80	100.90-101.20	Germany...	3.86½-3.90½
Hong Kong Dollar	11.378-11.390	7.7830-7.7850	Italy...	2375-2415
Iran Rial...	126.75*	87.40*	Japan...	339-344
Kuwait Dinar (KD)	0.4275-0.4285	0.29255-0.29270	Netherlands...	4.35¾-4.39¾
Luxembourg Fr..	79.45-79.55	54.36-54.38	Norway...	11.07-11.18
Malaysia Dollar..	3.4090-3.4150	2.3320-2.3335	Portugal...	191-200
New Zealand Dlr.	2.2040-2.2090	1.5070-1.5095	Spain...	219-230¾
Saudi Arab. Riyal	5.1245-5.1310	3.5040-3.5060	Sweden...	11.52-11.63
Singapore Dollar	3.1065-3.1125	2.1250-2.1265	Switzerland...	3.18½-3.21½
Sth African Rand	1.7580-1.7600	1.2020-1.2035	United States...	1.45-1.47
U.A.E. Dirham...	5.3700-5.3755	3.6720-3.6730	Yugoslavia...	202-207

* Selling rates.

CURRENCY MOVEMENTS

Feb. 23	Bank of England Index	Morgan Guaranty Changes%
Sterling...	82.7	−8.4
U.S. dollar...	128.0	+16.5
Canadian dollar...	91.2	−0.1
Austrian schilling..	116.7	+3.6
Belgian franc...	90.2	−11.3
Danish kroner...	78.9	−6.1
Deutsche mark...	127.0	+8.4
Swiss franc...	149.3	+11.7
Guilder...	115.5	+4.8
French franc...	66.8	−15.1
Lira...	48.7	−12.9
Yen...	154.3	+11.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Feb. 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling...	—	0.719859	0.577993
U.S. $...	8½	1.05271	0.845604
Canadian $...	10.00	*	1.05633
Austria Sch.	3¾	19.7404	15.8551
Belgian Fr...	11	57.3516	45.8804
Danish Kr...	7	10.2387	8.21928
D'mark...	4	2.80052	2.24085
Guilder...	5	3.16181	2.53216
French Fr...	9½	8.63749	6.91197
Lira...	16	1738.59	1389.96
Yen...	5	245.281	197.195
Norwgn Kr...	8	8.01744	6.42828
Spanish Pta.	—	160.432	128.912
Swedish Kr...	8½	8.32904	6.67943
Swiss Fr...	4	2.30354	1.84553
Greek Dr'ch	20½	106.571	85.4568

* C$/SDR rate for Feb 22: 1.31123

EXCHANGE CROSS RATES

Feb. 23	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.463	3.883	341.5	11.953	3.200	4.383	2402.	1.827	79.50
U.S. Dollar	0.684	1.	2.654	233.4	8.175	2.187	2.996	1643.	1.249	54.37
Deutschemark	0.258	0.377	1.	87.96	3.079	0.824	1.129	618.5	0.470	20.48
Japanese Yen 1,000	2.928	4.283	11.37	1000.	35.00	9.370	12.83	7032.	5.348	232.8
French Franc 10	0.837	1.224	3.248	285.7	10.	2.677	3.667	2009.	1.528	66.51
Swiss Franc	0.313	0.457	1.213	106.7	3.735	1.	1.370	750.5	0.571	24.84
Dutch Guilder	0.228	0.334	0.886	77.92	2.727	0.730	1.	548.0	0.417	18.14
Italian Lira 1 000	0.416	0.609	1.617	142.2	4.977	1.333	1.825	1000	0.761	33.10
Canadian Dollar	0.547	0.801	2.126	187.0	6.544	1.752	2.399	1315.	1.	43.53
Belgian Franc 100	1.258	1.840	4.884	429.6	15.03	4.026	5.513	3021.	2.297	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term...	9⅛-9¼	9½-9¾	9⅜-9¾	5⅞-6	1⅝-1⅞	5 5/16-5 7/16	12-12¼	16-17	11½-12	11½-12	6½-6⅝	10¼-10¾
7 days' notice...	9⅛-9¼	9½-9¾	9⅜-9¾	5⅞-6	6¼-6⅜	5 5/16-5 7/16	15-20	16⅝-18⅜	13½-15½	11⅝-12⅛	6⅝-6¾	10½-11
Month...	9 1/16-9 3/16	9 11/16-10 1/16	9⅝-9¾	5⅞-6	3⅜-3½	5 7/16-5⅝	18½-19½	17⅝-18⅝	15-15½	12¼-12½	6 1/16-6 3/16	11-11½
Three months...	9 5/16-9⅜	10-10¼	9⅞-10	6-6⅛	3 5/16-3 7/16	5 7/16-5⅞	18¼-19¼	17¾-18¼	13¾-14¼	12¼-12½	6½-6⅝	10¾-11¼
Six months...	9⅜-9½	10¼-10½	10-10½	6 1/16-6 3/16	3 5/16-3 7/16	5 11/16-6	17-18	17⅞-18⅜	13½-14	12¼-12½	6½-6⅝	10⅞-11⅜
One year...	9¾-9 13/16	10 5/16-10 9/16	10 5/16-10 7/16	6 5/16-6 7/16	4⅛-4⅛	5 13/16-6 1/16	17-18	18⅜-18⅞	12½-13	12¼-12½	6 5/16-6 7/16	11¼-11¾

Asian $ (closing rates in Singapore): Short term 9 13/16-9 15/16 per cent; seven days 9¾-9⅞ per cent; one month 9 13/16-9 15/16 per cent; three months 10 3/16-10 5/16 per cent; six months 10¼-10⅜ per cent; one year 10⅝-10¾ per cent. Long-term Euro dollars two years 11⅛-11⅜ per cent; three years 11¾-12 per cent; four years 12¼-12½ per cent; five years 12⅜-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

MONEY MARKETS

London rates little changed

Interest rates remained dull and featureless on the London money market yesterday apart from a slightly softer tone in sterling interbank rates. Three-month interbank eased to 9⅜ per cent from 9 13/32 per cent, but discount houses buying rates for three-month eligible bank bills remained at 8⅞-8 29/32 per cent.

The Bank of England forecast a money market shortage of £350m, but this was later revised to £400m. Total help provided by the authorities was £443m. Bills maturing in the hands of the Bank of England, repayment of late advances, and a take-up of Treasury bills drained £226m, while Exchequer transactions absorbed £25m; a rise in the note circulation £15m; and bank balances below target another £65m.

Before lunch the authorities provided assistance of £340m, partly by purchases of £251m bills for resale to the market on February 27 at 9 3/16-9¼ per cent. Another £89m bills were bought outright by way of £18m bank bills in band 1 (up to 14 days maturity); at 9 1/16 per cent; £45m bank bills in band 2 (15-33 days) at 9 per cent; £7m bank bills in band 3 (34-63 days) at 8 15/16 per cent; and £19m bank bills in band 4 (64-91 days) at 8⅞ per cent.

In the afternoon the Bank of England purchased £73m bills outright through £48m bank bills in band 2 at 9 per cent; £10m bank bills in band 3 at 8 15/16 per cent; and £15m Treasury bills in band 4 at 8⅞ per cent.

Late assistance of around £30m was also provided by the authorities.

In Brussels the Belgian National Bank increased the interest rates on Treasury bills for the second time in just over a week. One-month bills rose by 0.40 per cent to 12 per cent, and two-month and three-month bills by 0.15 per cent to 12 per cent. On Wednesday of last week rates were increased in line with the 1 per cent rise in Belgium's discount and Lombard rates. The further increase was again the result of the weak position of the Belgian franc in the EMS, where the currency remained near its floor against the D-mark.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Feb. 23	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight...	5.50-5.55	11 1/16	1 2	5⅝-5¾	5.84375	16¾-17⅛	12.4	—
One month...	5.45-5.60	12 1/16-12⅛	3⅜-3½	5⅞-6	6.34375	16¾-17⅛	11¾-12	12⅜-12½
Two months...	5.70-5.80	12 1/16-12 3/16	—	—	—	—	—	12¼-12⅜
Three months...	5.80-5.95	12⅝-12¾	3 5/16-3 7/16	6-6⅛	6.28125	17-17⅜	12-12¼	12⅜-12½
Six months...	5.90-6.05	12⅝-12¾	—	6-6⅛	—	—	12-12¼	12¼-12½
Lombard...	5.5	—	—	—	—	—	—	—
Intervention...	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 23 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight...	—	5-9¼	9⅛	7-9⅛	5-9⅛	—	—	—	—	—
2 days notice...	—	—	9⅛	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 day notice...	—	9-9¼	9⅛	9⅛	9-9⅛	—	—	—	—	—
One month...	9 1/16-9 3/16	9¼-9 3/16	9¼	9½	9-9⅛	9	8 15/16	9-9 1/16	8 15/16-9	9⅝
Two months...	9 3/16-9 5/16	9 3/16-9 5/16	9 5/16	9⅝	9-9⅛	8 15/16	8⅞-8 29/32	8 15/16-8 31/32	8 29/32-8 15/16	9 5/16
Three months...	9 11/32-9 13/32	9 5/16-9 7/16	9⅜	9⅝	9-9⅛	8⅞	8 27/32	8⅞-8 29/32	8 27/32-8⅞	9½
Six months...	9⅜-9½	9 7/16-9 9/16	9 7/16	—	—	—	—	8 13/16	8 25/32	9 7/16
Nine months...	9 7/16-9½	9½-9⅝	9⅝	—	—	—	—	—	—	—
One year...	9⅝-9⅞	9 11/16-9 13/16	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month...	9⅝-9½	—	9 5/16	9.75-9.85	9½-9 11/16	10⅛-10⅜
Two months...	9½-9⅜	—	9 7/16	9.75-9.85	9⅝-9⅞	10 1/16-10 5/16
Three months...	9⅝-9½	—	9 9/16	9.8-9.9	9 9/16-9 11/16	10 1/16-10 5/16
Six months...	9⅛-8⅞	—	9 11/16	10.0-10.1	9 11/16-9 15/16	10-10⅛
Nine months...	9⅞-9½	—	9 13/16	10.1-10.3	—	—
One year...	9¾-9½	—	9 15/16	10.25-10.45	9 13/16-9 15/16	10⅛-10⅜
Two years...	—	10⅜	—	—	—	—
Three years...	—	10⅝	—	—	—	—
Four years...	—	10¾	—	—	—	—
Five years...	—	10⅞	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7, 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from February 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.8550 per cent. Certificate of Tax Deposit (Series 6) Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10⅛ per cent. Under £100,000 9¼ per cent from February 6. Deposits held under Series 4-5 10⅛ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. February 23)

3 months U.S. dollars

bid 10 1/16 | offer 10 3/16

6 months U.S. dollars

bid 10 5/16 | offer 10 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10¼-10½
Fed funds	9 11/16
Fed funds at intervention	9 11/16

Treasury Bills

One month	8.90
Two month	9.10
Three month	9.16
Six month	9.36
One year	9.38

Treasury Bonds

Two year	99 7/16
Three year	99¼
Four year	99 3/32
Five year	98 23/32
Seven year	99¾
10 year	98 27/32
30 year	96 11/16

FINANCIAL FUTURES

Weaker trend

Gilt and Eurodollar futures weakened on the London International Financial Futures Exchange yesterday, largely in response to worries about the performance of the U.S. bond market. Fears about inflationary pressure as a result of recent economic figures pointing to fast growth at the beginning of the year have led to a depressed bond market and a weaker dollar. The overnight weakness of the U.S. market pushed gilt futures down at the opening before the strength of sterling on the foreign exchanges overcame the initial nervousness and gave the contract a boost. After opening at 108-22 for March delivery long gilts touched a low of 108-17, but then rose steadily to a peak of 108-29. This firmer trend was shortlived however, and the price fell back in the afternoon as the U.S. bond market had another poor start, pulling the contract back to around its opening level. It closed at 108-21, compared with 108-27 on Wednesday.

Eurodollars suffered from similar pressures from the bond market. As the March contract approaches delivery June is now the most widely traded month. The market was fairly active, but June Eurodollars never managed to trade as high as Wednesday's closing level, moving within a narrow range of 89.45 to 89.51, and closing at 89.46, compared with the previous settlement of 89.57.

Volume in short sterling futures remained restricted by expectations that London interest rates will show little change for some time, but the contract was supported by the strength of the pound. June delivery opened at 90.57, and fell to a low of 90.54, before closing at the day's peak of 90.65, compared with 90.58 on Wednesday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	89.97	90.00	89.95	90.05
June	89.46	89.51	89.45	89.57
Sept	89.14	89.18	89.13	89.26
Dec	88.84	88.88	88.84	88.97
March	88.60	88.60	88.60	88.71

Volume 4,738 (2,389)
Previous day's open int 11,659 (11,847)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.89	90.90	90.85	90.85
June	90.65	90.65	90.54	90.58
Sept	90.45	90.46	90.40	90.37
Dec	90.27	90.29	90.27	90.20
March†	90.15	90.15	90.15	90.03

Volume 983 (670)
Previous day's open int 6,314 (6,209)
† £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	108-21	108-29	108-17	108-27
June	108-04	108-11	107-31	108-09
Sept	107-19	107-25	107-19	107-24
Dec	107-03	—	—	107-08
March	106-19	—	—	106-24

Volume 3,583 (2,391)
Previous day's open int 4,042 (3,965)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 14 to 24 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4632	1.4660	1.4555	1.4530
June	1.4665	1.4690	1.4625	1.4560
Sept	1.4705	1.4705	1.4705	1.4598

Volume 479 (499)
Previous day's open int 2,234 (2,341)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3777	0.3788	0.3765	0.3767
June	0.3818	0.3825	0.3806	0.3807
Sept	0.3854	—	—	0.3844

Volume 442 (519)
Previous day's open int 464 (468)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4590	0.4596	0.4577	0.4580
June	0.4665	0.4675	0.4657	0.4641
Sept	—	—	—	—

Volume 79 (20)
Previous day's open int 281 (259)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4288	0.4294	0.4288	0.4298
June	0.4328	—	—	0.4338
Sept	—	—	—	—

Volume 5 (42)
Previous day's open int 271 (296)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-18	69-03	68-18	69-12
June	67-31	68-15	67-29	68-24
Sept	67-14	67-30	67-12	68-06
Dec	66-29	67-12	66-28	67-21
March	66-15	66-28	66-15	67-05
June	66-01	66-14	66-01	66-23
Sept	65-20	65-29	65-20	66-09
Dec	65-08	65-16	65-08	65-28

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.69	90.78	90.68	90.81
June	90.29	90.38	90.28	90.40
Sept	89.98	90.08	89.98	90.10
Dec	89.74	—	89.74	89.85
March	89.51	89.59	89.51	89.64
June	89.33	89.38	89.33	89.45
Sept	89.17	—	89.17	89.29
Dec	89.02	—	89.02	89.12

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.09	90.19	90.08	90.22
June	89.55	89.65	89.55	89.69
Sept	89.17	89.28	89.17	89.31

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.60	89.68	89.59	89.73
June	89.10	89.21	89.10	89.25
Sept	88.75	88.86	88.75	88.90
Dec	88.47	88.58	88.47	88.61
March	88.20	88.30	88.20	88.34
June	87.96	88.06	87.96	88.09

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4565	1.4670	1.4515	1.4520
June	1.4620	1.4700	1.4555	1.4555
Sept	1.4650	1.4730	1.4600	1.4600
Dec	1.4725	1.4750	1.4700	1.4640
March	1.4760	1.4815	1.4760	1.4685

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-22	68-30	68-21	69-02
June	67-24	68-00	67-24	68-05
Sept	66-31	67-06	66-31	67-12
Dec	66-10	66-14	66-10	66-21
March	—	—	—	—
June	—	65-10	65-08	65-16
Sept	—	—	—	65-01
Dec	64-08	64-16	64-08	64-20

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LEGAL NOTICES

ART GALLERIES

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, February 22 1984. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of February 22 at 11.00 am
3 months: 10⅛ 6months: 10 5/16

SDR1 = US$1.05041
Sibor as of February 22 at 11.00 am
3 months: 10⅛ 6 months: 10 5/16

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.9703
Algeria	Dinar	4.9111
Andorra	Fr. Franc	8.249
	Sp. Peseta	153.25
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f)	28.015
Australia	Dollar	1.0621
Austria	Schiling	18.845
Azores	Port. Escudo	134.00
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is	Sp. Peseta	153.25
Bangladesh	Taka	23.75
Barbados	Dollar	2.0113
Belgium	Franc (C)	54.757
	Franc (F)	56.72
Belize	Dollar	2.00
Benin	C.F.A. Franc	412.45
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	10.73
Bolivia	Peso	500.00
Botswana	Pula*	1.1547
Brazil	Cruzeiro (8)	1154.00
Brunei	Dollar	2.128
Bulgaria	Lev	0.9995
Burma	Kyat	7.7479
Burundi	Franc	116.811
Cameroun Rp.	C.F.A. Franc	412.45
Canada	Dollar	1.247
Canary Is	Sp. Peseta	153.25
Cape Verde Is	Escudo	80.00
Cayman Is.	Dollar	0.835
Cen. Africa Rep	C.F.A. Franc	412.45
Chad	C.F.A. Franc	412.45
Chile	Peso (O)	88.12
China	Renminbi Yuan	2.046
Colombia	Peso (O)	91.81
Comoros	C.F.A. Franc	412.45
Congo Pple Rep. of	C.F.A. Franc	412.45
Costa Rica	Colon	43.40
Cuba	Peso	0.8682
Cyprus	Pound*	1.7937
Czechoslovakia	Koruna (O)	6.60
Denmark	Krone	9.767
Djibouti Rp. of	Franc	173.56
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O)	57.22
	Sucre (F)	86.85
Egypt	Pound* (O)	1.4286
	Pound*	1.221
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	306.50
Ethiopia	Birr (O)	2.0497
Faeroe Is'd	Dan. Krone	9.767
Falkland Is'd	Pound*	1.449
Fiji	Dollar	1.0366
Finland	Markka	5.745
France	Franc	8.249
Fr. C'ty in Af	C.F.A. Franc	412.45
Fr. Guiana	Franc	8.249
Fr. Pac. Is'd	C.F.P. Franc	149.982
Gabon	C.F.A. Franc	412.45
Gambia	Dalasi	2.7605
Germany (E)	Ostmark (O)	2.673
Germany (W)	Mark	2.673
Ghana	Cedi	30.00
Gibraltar	Pound*	1.449
Greece	Drachma	101.25
Greenland	Dan. Krone	9.767
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	8.249
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso (2)	80.0199
Guinea Rep.	Syli	23.5006
Guyana	Dollar (9)	3.75
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	7.794
Hungary	Forint (4)	46.479
Iceland	Krona	29.22
India	Rupee (3)	10.73
Indonesia	Rupiah	994.00
Iran	Rial (O)	87.8702
Iraq	Dinar	0.3109
Irish Rep	Punt*	1.1433
Israel	Shekel	131.33
Italy	Lira	1656.25
Ivory Coast	C.F.A. Franc	412.45
Jamaica	Dollar (o)	3.17
Japan	Yen	233.30
Jordon	Dinar	0.3691
Kampuchea	Riel	n.a.
Kenya	Shilling	13.7253
Kiribati	Aust. Dollar	1.0621
Korea (Nth)	Won	0.94
Korea (Sth)	Won	796.70
Kuwait	Dinar	0.2931
Lao P'ple D. Rep.	Kip	35.00
Lebanon	Pound	6.17
Lesotho	Loti	1.2219
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n.	Sw. Franc	2.196
Luxembourg	Lux. Franc	54.757
Macao	Pataca	8.1019
Madagascar D. R.	Franc	497.497
Madeira	Port. Escudo	134.00
Malawi	Kwacha	1.3475
Malaysia	Ringgit	2.336
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp	Franc	824.90
Malta	Pound*	2.2702
Martinique	Franc	8.294
Mauritania	Ouguiya	57.03
Mauritius	Rupee	12.1254
Mexico	Peso (Free)	168.11
	Peso (cont'd)	150.69
Miquelon	Fr. Franc	8.249
Monaco	Fr. Franc	8.249
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	7.95
Mozambique	Metica	41.487
Namibia	S.A. Rand	1.2219
Nauru Is.	Aust. Dollar	1.0621
Nepal	Rupee (1)	15.75
Netherlands	Guilder	3.017
Neth Ant'les	Guilder	1.80
New Zealand	Dollar	1.517
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	412.45
Nigeria	Naira	0.7029
Norway	Krone	7.646
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	13.508
Panama	Balboa	1.00
Papua N.G.	Kina	0.8598
Paraguay	Guarani (o)	160.00
Peru	Sol	2448.11
Philippines	Peso	14.02
Pitcairn Is	N.Z. Dollar	1.517
Poland	Zloty (O)	95.49
Portugal	Escudo	134.00
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.641
Reunion, Ile de la	Fr. Franc	8.249
Romania	Leu (O)	4.47
Rwanda	Franc	98.7806
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.449
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	8.249
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala*	1.60
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1656.25
Sao Tome & Principe DR	Dobra	43.0783
Saudi Arabia	Riyal	3.51
Senegal	C.F.A. Franc	412.45
Seychelles	Rupee	6.887
Sierra Leone	Leone	2.51
Singapore	Dollar	2.128
Solomon Is.	Dollar	1.2114
Somali Rep.	Shilling	15.7081
South Africa	Rand	1.2219
Spain	Peseta	155.25
Span. Ports in N. Africa	Sp. Peseta	153.26
Sri Lanka	Rupee	25.37
Sudan Rep	Pound*	0.769
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.2219
Sweden	Krone	7.943
Switzerland	Franc	2.196
Syria	Pound	3.925
Taiwan	Dollar (O)	40.19
Tanzania	Shilling	12.35
Thailand	Baht	22.985
Togo Rep	C.F.A. Franc	412.45
Tonga Is	Pa'anga	1.0621
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.730
Turkey	Lira	311.575
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.0621
Uganda	Shilling (1st)	254.25
	Shilling (2nd)	317.40
United Arab Emir.	Dirham	3.6727
Utd. Kingdom	Pound Sterling‡	1.449
Upper Volta	C.F.A. Franc	412.45
Uruguay	Peso	45.88
USSR	Rouble	0.7945
Vanuatu	Vatu	101.103
Vatican	Lira	1656.25
Venezuela	Bolivar (5)	5.15
	Bolivar (6)	9.93
	Bolivar (7)	12.93
Vietnam	Dong (O)	9.880
Virgin Is. Brit	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	5.05
Yemen PDR	Dinar	0.3425
Yugoslavia	Dinar	124.80
Zaire Rep.	Zaire	29.57
Zambia	Kwacha	1.6064
Zimbabwe	Dollar	1.1142

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Nepal: Devaluation of 3.5 per cent, January 11 1984. (2) Guinea-Bissau: Devaluation of 50 per cent, December 28 1983. (3) India: Rupees per US$ (between December 7, 1983 and February 15, 1984, rate quoted as $ per 100 Rupees). (4) Hungary: February 7, devalued by 2.31 per cent. (5) Venezuela: Three tier system has been developed. This rate is for all essential imports. (6) Venezuela: Non essential import rate. (7) Venezuela: Floating rate for tourists (8) Brazil: Third adjustment this year, effective January 18. (9) Guyana: January 11, 20 per cent devaluation.

For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

APPOINTMENTS

COMPANY NOTICES

THE "SHELL" TRANSPORT AND TRADING COMPANY, P.L.C.

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Monday, 5th March, 1984 for the preparation of the half-yearly dividend payable on the FIRST PREFERENCE SHARES for the six months ending 31st March, 1984. The dividend will be paid on 2nd April, 1984.

For Transferees to receive this dividend, their transfers must be lodged with the Company's Registrar, Lloyds Bank plc, Registrar's Department, Goring-by-Sea, Worthing, Sussex, [illegible] than 3.00 p.m. on Monday, 5th March, 1984.

Shell Centre,
London, SE1 7NA
24th February, 1984

By Order of the Board
D. W. CHESTERMAN
Company Secretary

NOTICE OF PURCHASE EUROPEAN INVESTMENT BANK

8.75% US$ BONDS OF 1978, DUE 1ST FEBRUARY, 1993

NOTICE IS HEREBY GIVEN to bondholders that during the twelve-month period ending 31st January, 1984, US$2,000,000 of the European Investment Bank's 8.75% US$ Bonds of 1978, due 1st February, 1993 have been purchased.

As of 1st February, 1984 the principal amount of such Bonds remaining in circulation was US$82,000.00.

EUROPEAN INVESTMENT BANK
24th February, 1984.

ELECTRICITE DE FRANCE (EDF)

US$400,000,000 Floating Rate Notes due February 1999

The applicable interest rate for the period beginning on February 24, 1984 and ending on August 23, 1984 as fixed by the reference agent is 10 $\frac{9}{16}$ per cent per annum.

KINGDOM OF DENMARK

7¼% 1973/1988 FF 100,000,000

NOTICE IS HEREBY GIVEN to Bondholders of the above loan that the amount redeemable on April 15, 1984, i.e. FF 4,250,000 was bought in the market.

Amount outstanding: FF 67,250,000.
The Fiscal Agent
KREDIETBANK S.A.
Luxembourgeoise

Luxembourg.
February 24, 1984.

HOME BREWERY PLC
CUMULATIVE PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Transfer Books of the above Company will be closed from 21st March 1984 to 31st March 1984 (both days inclusive) in order that the dividend warrants may be prepared for the half-year ending 31st March, 1984.

By Order of the Board
S. DAVYS, Secretary

The Brewery,
Daybrook,
Nottingham NG5 6BU.
23rd February, 1984.

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)

TORONTO, GREY & BRUCE RAILWAY COMPANY FIRST MORTGAGE BONDS

The above Bonds should now be lodged with the undersigned to have the new sheet of coupons attached to them. Listing forms to accompany the Bonds can be obtained from this office.

W. E. REEVE,
Deputy Secretary.

50 Finsbury Square,
London EC2A 1DD.
February 21 1984.

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the Transfer Books of Ordinary and Preference Stocks will be CLOSED for one day only on 6th March, 1984 for the preparation of the Dividend Warrants payable on 1st April, 1984.

Dated this twenty-fourth day of February, 1984.

M. J. KING, Secretary.

Blackwell House,
Aldenham Road,
Watford,
Hertfordshire. WD2 2EY.

WILLIAMS & GLYN'S (NEDERLAND) B.V.

US$100,000,000
11% GUARANTEED BONDS 1993

NOTICE IS HEREBY GIVEN that Copies of the Annual Report and Accounts of Williams & Glyn's (Nederland) B.V. and of the Royal Bank of Scotland Group plc for the year ended 30th September, 1983 are available from the Paying Agents to the issue.

Signed by
WILLIAMS & GLYN'S
(NEDERLAND) B.V.

PUBLIC NOTICES

CITY OF BIRMINGHAM

BONDS

NOTICE IS HEREBY GIVEN that the BOND REGISTER will be CLOSED from 1st March to 31st March, 1984, both dates inclusive, for the preparation of interest due 1st April, 1984.

P. R. SABIN,
City Treasurer.

City Treasurer's Department
Council House
Birmingham B3 3AB

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 23.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11¼ 90	100	99⅝	100⅛	-0⅛	-0¼	11.25
Australia Comm 11½ 95	300	96⅞	97⅜	-0⅛	-0⅜	11.95
Australia Comm 11⅝ 98	100	96¾	97¼	-0⅞	-0⅞	12.05
Bank of Tokyo 11⅞ 90	100	97⅞	98⅜	-0⅝	-0¾	12.27
Beneficial O/S Fin 12 91	100	96¼	96¾	-0¼	-0½	12.78
Britoil Fin 11⅞ 90	125	98¾	99¼	-0⅛	-0⅞	12.07
Canada 10⅞ 88	500	98¼	98¾	0	-0¼	11.27
C.C.C.E. 12⅝ 95	75	99¼	99¾	-0⅜	-0⅞	12.68
Citicorp O/S 10⅜ 90	100	91⅜	91⅞	-0⅛	0	12.36
Citicorp O/S 11¾ 90	100	97⅝	98⅛	-0¼	-0¾	12.29
D.N.C. 11¾ 91 WW	50	96	96¾	-0¼	-0⅛	12.55
D.N.C. 11¾ 91 XW	50	95⅛	95⅝	-0¼	-0¼	12.79
Denmark Kingdom 12¼ 93	100	98½	99	-0¼	-0¾	12.45
E.C.S.C. 11⅞ 90	75	98¾	99¼	-0⅜	-0½	12.07
E.D.C. 11⅛ 89	150	96¾	97¼	-0⅛	-0⅝	11.96
E.E.C. 11 87	350	97⅞	98⅜	-0⅛	-0⅝	11.65
E.E.C. 12 93	50	98¾	99¼	-0¼	-0⅞	12.16
E.I.B. 11½ 90	200	96¾	97¼	-0¼	-0⅝	12.15
Eksportfinans 11½ 90	100	96⅜	96⅞	-0⅛	-0⅝	12.24
Electrolux 10½ 90	50	91¾	92¼	-0¾	-0½	12.38
Gen Elec Credit 11 91 WW	200	97⅛	97⅝	-0⅝	-0½	11.57
GMAC O/S Fin 11⅜ 90	100	99¼	99¾	0	-0¼	11.45
IC Indust Fin 11⅞ 98	75	96¼	96¾	-0⅞	-0¾	12.39
Indust Bk Japan 11⅞ 91	100	98¼	98¾	-0⅛	-0⅞	12.16
ITT Finance 11½ 89 WW	125	99⅛	99⅝	0	-0¼	11.63
Japan Air Lines 11 93	75	95¼	95¾	0	-0⅜	11.80
J.C. Penney 11⅞ 90	100	99¾	100¼	-0¼	-0⅝	11.84
J.P. Morgan 11⅜ 90 WW	150	98	98½	-0⅛	-0⅝	11.74
Levi Strauss Int 11 90	75	96¼	96¾	-0¼	-0⅝	11.78
L.T.C.B. 10¾ 90	100	93⅜	93⅞	0	-0⅝	12.23
L.T.C.B. 12½ 90	85	101¼	101¾	-0⅛	-0½	12.12
Macy O/S 11¾ 91	100	99¼	99¾	-0⅛	-0¼	11.85
Mitsubishi Fin 11⅜ 90	100	96	96½	-0⅜	-0⅞	12.22
Mitsui Trust Fin 12 91	100	98¼	98¾	-0½	-0½	12.33
Nippon Credit 11⅞ 90	100	97½	98	-0¾	-0¾	12.36
Nippon Tele 11⅜ 90	100	99	99½	-0¼	-0⅞	11.55
Nova Scotia Pro 11¾ 91	100	96½	97	+0⅛	-0⅜	12.47
Ontario Hydro 10¼ 90	250	92⅞	93⅜	-0⅛	-0⅝	11.85
Ontario Hydro 11¾ 90	200	99⅜	99⅞	-0½	-0½	11.80
Pacific Gas & Elec 12 91	75	100½	101	-0½	-0¾	11.81
P.K. Banken 12 90 WW	75	96⅞	97⅜	-0½	-0⅝	12.63
Prudential 10⅞ 93 WW	150†	94½	95	-0½	-1	11.01
Prudential 10⅞ 93 XW	150	89½	90	-0½	-0¾	11.94
Quebec Hydro 11½ 92	100†	98¼	98¾	0	-0⅛	11.76
Quebec Province 12¼ 94	150	98⅜	98⅞	-0¼	-0¼	12.49
Royal Bk of Can. 11½ 89	100	97⅝	98⅛	-0⅛	-0½	12.09
Rural & Ind. Bk 12 91	50	97⅜	97⅞	-0¼	-0½	12.53
Sears O/S Fin 11½ 88	125	100⅝	101⅛	-0¼	-0⅝	11.22
Sears O/S Fin 11⅝ 91	150	98⅛	98⅝	-0¼	-0½	11.97
Sears O/S Fin 11⅜ 93	150	98⅜	98⅞	-0⅛	-0¼	11.85
Sec Pac O/S Fin 11⅝ 89	75	98¼	98¾	0	0	12.04
Sec Pac O/S Fin 12 92	100	98	98½	-0⅛	-0¼	12.35
S.E.K. 11½ 89	100	97½	98	-0⅛	-0¼	12.12
Sumitomo Fin 10⅞ 90	100	93⅜	94⅜	-0¼	-0¾	12.24
Texaco Capital 10½ 93	200	93⅝	94⅛	-0¼	-0⅞	11.56
Tokai Asia 12⅛ 91	100	99⅜	99⅞	-0⅜	-0⅝	12.32
World Bank 11⅛ 88	100	97⅞	98⅜	-0¼	-0⅝	11.77
World Bank 11⅛ 90	200	96	96½	-0⅛	-0⅞	12.07
World Bank 11⅜ 90	150	97	97½	-0⅛	-0½	12.10
World Bank 12 93	250	99	99½	-0⅜	-1	12.11

Av. price changes: on day -¼, on week -½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	99¼	99¾	0	-0¼	7.57
Amca Int 8¼ 91	100	100¼	100¾	+0⅛	+0⅜	8.15
A.N.A.S. 8⅞ 91	150	102⅜	102⅞	+0⅛	+0⅜	8.37
Arab Banking Corp 8 88	100	97⅜	98⅛	0	-0⅛	8.56
Asian Dev Bk 8½ 93	200	101⅝	102⅛	-0⅛	-0⅜	8.20
Barclays O/S 8⅛ 98	250	101⅝	102⅛	-0⅜	-0¼	7.90
Beatrice Foods 7¾ 93	130	102⅝	103⅛	-0⅛	-0¼	7.29
E.E.C. 8 92	200	100¾	101¼	-0⅜	-0⅜	7.80
E.I.B. 8 91	250	100¾	101¼	+0¼	-0⅝	7.81
E.I.B. 8 93	200	100⅞	101⅜	0	-0¼	7.87
Euratom 8¼ 93	150	100¾	101¼	0	-0½	8.09
Finland Rep 8 90	150	101⅛	101⅝	-0⅛	+0⅛	7.72
I.A.D.B. 8¼ 93	150	100½	101	-0¼	-0⅞	8.13
Int Standard Ele 7⅜ 90	100	101⅝	102⅛	-0⅛	-0¼	7.01
Int Standard Ele 7¾ 93	100	102	102½	-0¼	-0¼	7.40
Ireland 8⅝ 91	150	100⅞	101⅜	-0⅜	-0¼	8.48
L.T.C.B. 8 90	100	101¼	101¾	+0⅛	-0⅛	7.68
Megal Fin 8¼ 94	150	99¾	100¼	-0½	-1	8.24
O.K.B. 7½ 88	100	99⅛	99⅝	-0⅛	0	7.65
Reynolds O/S Fin 7⅝ 94	125	99⅝	100⅛	0	0	7.50
Sth Africa Rep 8½ 91	200	102¼	102¾	0	-0⅞	8.05
S.N.C.F. 8¼ 93	100	100⅝	101⅛	-0⅛	-0⅝	7.98
VEBA Int Fin 4 93 WW	330	126⅞	127½	-0⅝	-3¾	1.10
VEBA Int Fin 4 93 XW	300	77⅞	78⅜	-0⅛	-0¼	7.18
World Bank 7⅞ 89	300	101⅝	102⅛	-0¼	-0⅜	7.43
World Bank 8 93	300	100¾	101¼	-0⅜	-0⅞	7.84

Av. price changes: on day -⅛, on week -⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 6 94	100	101	101¼	-0⅛	0	5.85
Austria Republic 5½ 94	150	98½	98¾	-0¼	-0¼	5.68
E.E.C. 6 93	100	100½	101	-0⅜	-0⅝	5.89
Elec Power Dev 5⅝ 93	100	100½	100¾	0	-0⅛	5.54
Europarat 6⅛ 93	100	100½	100¾	-0¼	-0⅜	6.03
Finland Republic 5¾ 94	100	98¼	98½	-0¼	-0½	5.97
Int-Am Dev Bk 6 93	100	99½	99¾	-0½	-0¾	6.05
Ireland 6½ 93	80	102	102½	-0⅝	-0½	6.18
Japan Dev Bk 5½ 94	100†*	99¾	100	-0¼	0	5.52
Jap Highway Pub 5⅝ 91	100	101½	101¾	-0⅛	-0⅛	5.36
Manitoba Prov 5½ 93	100	102¼	102½	0	+0⅝	5.18
Mont Blanc Tunl 6⅜ 93	35†	103½	104	+0⅛	+1⅛	5.85
Mtg Bk Denmark 6¼ 91	80	102	102¼	-0⅜	+0¼	5.89
New Brunswick 5¾ 93	100	102½	102¾	0	-0¼	5.39
Newscorp 6¼ 94	175	101	101¼	-0½	-0¼	6.09
Nippon Express 5⅞ 94	100	99	99¼	0	0	5.99
Nippon Tel & Tel 5¾ 93	100	103	103¼	-0¼	-0⅜	5.33
Nippon Yusen K K 5¾ 92	100	99¼	99½	-0⅛	+0⅛	5.85
Quebec Province 5⅝ 93	100	101¼	101½	+0⅞	+0½	5.44
Shikoku Elec Power 6 91	100	102¼	102½	-0⅛	+0⅛	5.61
Soc Lux Cent 5¾ 93	100	99½	99¾	0	-0¼	5.88
Sumitomo Heavy Ind 6 91	100	101½	101¾	0	+0¼	5.72
Tohoku Ele Power 5¾ 93	100†*	98½	98¾	-0¼	-0½	5.97
Trizec Corp 6⅛ 93	100	100½	100¾	-0⅛	-0½	6.03
World Bank 5¾ 94	200	98½	98¾	0	-1⅛	5.94

Av. price changes: on day 0, on week -⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅝	108⅛	-0½	-0⅛	7.35
E.I.B. 8⅛ 92	15	103¾	104¼	0	-0⅛	7.57
Int-Am Dev Bk 7⅞ 93	15	102¼	102¾	0	-0¼	7.58
New Zealand 7⅜ 89	15	103¾	104¼	-0½	0	6.73
World Bank 7⅝ 93	20	102⅜	102⅞	-0½	+0¼	7.23

Av. price changes: on day -⅛, on week -⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 C$	125	97½	98	-0⅛	-0⅛	12.39
Brit Col Tel 12⅛ 99 C$	70	98⅞	99⅜	0	-0⅛	12.38
E.I.B. 12⅛ 91 C$	80†	97⅛	98⅜	0	-0⅛	12.48
Loblaw 12½ 90 C$	35†	97⅝	98⅛	0	-0⅛	12.96
Montreal City of 12 90 C$	50†	97⅞	98⅜	+0⅛	-0¼	12.40
Royal Trstco 12⅝ 88 C$	50†	101⅛	101⅝	0	-0⅛	12.18
World Bank 12¼ 90 C$	75†	100¼	100¾	0	-0⅛	12.10
CIE Bancaire 11 90 ECU	37	99⅞	100⅜	-0⅛	+0½	10.94
SDR France 11⅝ 95 ECU	20	102⅝	103⅛	+0½	+1¼	11.14
Algemene Bank 8¾ 88 Fl	150	102½	103	0	-0⅜	7.97
Amro Bank 8¾ 88 Fl	100	102⅝	103⅛	0	-0⅛	7.86
Bank Mees & Hope 9 88 Fl	75	103⅛	103⅝	0	0	8.06
Ned Middenstandbk 9 88 Fl	100	102½	103	+0¼	+0⅛	8.25
Rabobank 9 88 Fl	100	103⅜	103⅞	+0¼	+0⅛	8.05
World Bank 9 88 Fl	100	103¼	103¾	0	-0⅛	8.02
O.K.B. 14 86 FF	400	101¾	102¼	0	-0½	13.01
Solvay & Cie 14¾ 86 FF	200	102¾	103¼	+0⅛	-0⅛	13.11
B.F.C.E. 11½ 88	50	100½	101	0	+0⅝	11.23
CEPME 11¼ 95	35	103⅞	104⅛	-0⅞	-0¾	10.61
CIBA-Geigy Int 6¾ 93	25	102½	103⅛	0	+0⅜	6.34
Commerzbank 11½ 90	25	99¼	99¾	0	0	11.59
E.E.C. 11⅜ 94	50	98¼	98¾	+0⅛	+0⅛	11.46
E.E.C. 11⅞ 93	50	101⅝	102⅛	+0¼	+0⅛	11.52
Fin For Ind 10½ 90	20	95½	96	+0⅛	+0½	11.47
Finland Rep 11⅞ 88	50	102¼	102¾	+0⅛	+0¼	11.19
I.I.I. 10¾ 93	25	96	96¾	+0⅛	+0¾	11.36
I.I.I. 11½ 91 WW	50†	100½	101½	0	+0¼	11.28
Int Stand Ele 11⅛ 89	50	98⅝	99⅛	+0⅛	+0⅜	11.42
Norsk Hydro 12 90	30	103⅝	104⅝	+0⅛	+0⅞	11.01
Sweden 11⅛ 93	50	98⅜	98⅞	0	-0⅛	11.47
Swed Exp Cred 11¼ 89	30	100	100½	0	+0½	11.13
World Bank 11¼ 88	100	99⅝	100⅛	-0⅛	+0⅛	11.12
Electrolux 10 89 LF	500	97⅜	98⅜	-0⅛	-0⅛	10.57
Europarat 10¾ 93 LuxFr	600	98⅞	99⅝	-0¼	-0⅜	10.87

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95	0⅛	98⅛	98⅜	8/6	10.31	10.50
Banco di Roma 5¼ 90	0¼	99½	99¾	7/6	10½	10.54
Belgium 5 2004	0⅛	99¼	99⅜	9/7	10.31	10.38
Bk of New Yk 5¼ 96 §	0⅛	99⅛	99⅜	12/4	10.06	10.14
Credit Lyonnais 5¼ 96	0⅛	99⅛	99⅜	18/7	10.19	10.26
Denmark 5¼ 90	3/16	99⅝	99⅞	13/4	10	10.03
Die Erste Oes 5¼ 92	0¼	98½	99¾	27/7	10¼	10.29
Dresdner Fin 5⅛ 93 XW §	0⅛	100	100¼	19/4	9.94	9.93
EAB Fin 5 93 §	0¼	99⅝	99⅞	20/6	10.69	10.71
Ext Int 5¼ 96	0¼	98½	98¾	21/6	10.81	10.96
Fst Interstate 5¼ 95 §	0⅛	99⅞	99⅜	6/3	9.94	10.01
Fuji Int'l 5¼ 98 §	0⅛	99⅛	99⅜	12/7	10¼	10.30
Genfinance 5 94	0⅛	99½	99⅝	10/7	10⅛	10.16
Grindlays Euro 5¼ 94	0½	98½	99⅛	1/8	10⅛	10.29
GZB 5¼ 88	0⅛	99⅞	99½	28/5	10.19	10.25
Hispano 5¼ 95	0⅛	99¼	99¾	28/4	10	10.15
Kansallis Osake 5⅛ 92	0⅛	99⅝	99⅞	1/8	10⅛	10.18
Nat Bk Canada 5¼ 91 §†	0¼	99	99¼	5/7	10.44	10.53
Neste OY 5¼ 94	0⅛	99½	99⅝	23/8	10.58	10.60
Quebec Hydro 5⅛ 94	0⅛	99¼	99½	19/7	10⅛	10.19
Saitama Int 5¼ 93	0⅛	99⅜	99⅝	5/6	10.19	10.25
Sanwa Int Fin 5¼ 92	0	99⅝	99⅞	16/8	10.19	10.25
Sumitomo 5¼ 94 §	0⅛	99⅝	99⅞	8/8	10⅛	10.16
Sweden 5¼ 2003 §	0¼	99½	99⅝	17/5	10.19	10.23

Av. price changes: on day 0, on week -⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95 †	2/84	106	100	101½	0	-7.51
Canon 7 97	7/82	686.2	223⅜	225⅜	-1⅛	-1.88
Daiwa Sec Co 5½ 98 †	10/83	481.6	101	102½	0	-3.12
Fanuc 3¾ 98	1/84	6142	125⅜	126⅜	-1⅞	2.11
Hitachi Cable 5¾ 98	2/82	515	119	120½	+1⅛	8.82
Honda Motor 5¾ 98	6/83	884	118¼	120¼	-0⅜	1.90
Honda Motor 5½ 97	3/83	759.6	135½	136½	-0⅜	-1.00
Konishiroku Photo 4 98	10/83	673	102	103	-0½	4.94
Kyowa Hakko 6¼ 97	2/83	762	116⅞	117⅞	+0⅞	5.32
Minebea Co Ltd. 5½ 98	5/83	687	105⅜	106⅜	-0¾	-2.72
Mitsubishi Electric 5¼ 98	6/83	398	103½	104½	+0¼	4.36
Mitsubishi Heavy 4¾ 99	1/84	263	97⅞	98⅞	-0¼	4.68
Murata 3½ 99	2/84	2838	123½	124½	+1	1.88
Nippon Oil Co 5½ 98	4/83	864	109⅝	110⅝	-0⅛	3.29
Nissan Motor 5¼ 98	4/83	788	101⅜	102⅜	-0⅜	-0.28
Olympus Optical 6¾ 97	12/82	1157	103½	105	-1⅛	7.71
Ono Pharm'Cal Co 3¼ 98	3/84	8456	114¾	116¾	-1⅛	8.10
Orient Leasing 5⅛ 98	8/83	2886	114¼	115¼	+1¾	-4.88
Secom 5 98	11/83	2928	184⅜	185¾	+0⅝	-3.39
Yamaichi Sec Co 5 98	8/83	449.5	98	100½	-0½	-2.54
Yamanouchi Pharm'cal 4 98	10/83	1808	95⅜	96⅜	-0⅛	30.67
Bridge Oil 4¾ 93 SF	3/84	3.43	106½	108½	-0⅛	18.72
Nippon Airway 2¾ 94 SF	2/84	354	98	100	-0½	-0.73
Toshiba 2¾ 94 SF	1/84	391	107	108	-1	7.07
Asics 5 92 DM	12/83	528	109⅝	110⅜	+1¼	21.88
Sum Realty 6¼ 92 DM	2/83	385	122¼	123¼	-1⅛	-6.28

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cn. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EUROBONDS

Sweden steals the limelight

BY MARY ANN SIEGHART IN LONDON

WITH the Eurodollar bond market reeling under the weight of a 40-year floating rate note for Sweden and sharply falling prices of fixed-rate bonds, new issue activity was limited yesterday.

Credit Suisse First Boston launched a $100m floater for Arab Banking Corporation, with ABC as co-lead manager. The 12-year issue pays ⅛ point over the six-month London interbank offered rate at par and has put options for investors after seven and 10 years. The issue sold comfortably within its 1¼ per cent front-end fees, at a discount of about 1 point.

Tokyo Electric, meanwhile, is raising $70m through a five-year bond paying an indicated 6 per cent coupon. Led by Daiwa Europe, each $5,000 bond carries a warrant enabling the holder to buy $5,000 worth of the company's shares.

The Eurosterling sector, which has recently been buoyant under the influence of a strengthening pound, gave a warm reception to a £30m bond for Industrial Bank of Japan – the first Japanese borrower to tap this market. The bond has a life of just under 12 years, with a sinking fund which reduces the average life to 8.2 years. The coupon is 11⅛ per cent at a price of par – terms considered generous by the rest of the market.

The bond is led by Samuel Montagu and its odd maturity and sinking fund were apparently dictated by the currency swap of which it is a part.

In Germany, Nippon Flour Mills is raising DM 30m through a five-year bond with equity warrants. Led by Bayerische Vereinsbank, the issue has an indicated coupon of 3½ per cent.

WEEKLY U.S. BOND YIELDS (%)

	Feb 22	Feb 15	1983–1984 High	1983–1984 Low
Composite Corp. AA	12.39	12.24	12.83	10.78
Government:				
Long-term	11.89	11.73	11.93	10.18
Intermediate	11.65	11.56	12.03	9.83
Short-term	10.93	10.82	11.26	9.21
Municipal	n/a	9.58	10.01	8.72
Industrials AAA	12.11	11.88	12.36	10.51
Industrials AA	12.22	12.02	12.62	10.72
Utilities AA	12.56	12.47	13.05	10.35
Preferred Stocks	11.07	11.12	11.47	10.59

Source: Standard & Poor's

BHF Bank bond average

Feb 23		Previous
99.361		99.253
High	1983-84	Low
102.017		97.699

OVER THE COUNTER
Nasdaq Market

Continued from Page 26

Stock	Sales (Hds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U–U					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
V–V					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W–W					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
X–Y–Z					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN HANDELSBANK A/S
(Aktieselskabet Kjøbenhavns Handelsbank)

The Annual General Meeting will be held on Monday, March 19, 1984, at 7.30 p.m. at the Bella Center, Center Boulevard, DK-2300 Copenhagen S., Denmark.

Accounts 1983

At its meeting today the Shareholders' Council of Copenhagen Handelsbank decided to recommend to the Annual General Meeting of Shareholders that a dividend of 15 per cent be declared for 1983.

		1983 Kr. mill.		1982 Kr. mill.
Profit and Loss Account:				
Dividend, interest and commission received		5,576.5		6,012.9
Interest paid		–4,038.0		–4,309.0
Net income from interest and commission		1,538.5		1,703.9
Other ordinary income		476.3		406.5
Profit before expenses, etc.		2,014.8		2,110.4
Salaries and pensions	1,105.2		1,016.5	
Other expenses	463.6	–1,568.8	422.1	–1,438.6
Profit before provisions and depreciations, etc.		446.0		671.8
Provisions for bad and doubtful debts	300.0		434.0	
Depreciation of machinery, etc.	91.1	–391.1	91.1	–525.1
Extraordinary income and expenses		11.2		13.5
Profit before adjustment for changes in market value of securities, and taxation		66.1		160.2
Adjustment for changes in market value of securities		2,180.1		503.3
Profit before taxation		2,246.2		663.5
Total taxation		–862.2		–186.1
Net profit for the year		1,384.0		477.4
Plus: transfers from Investment Fund	30.0		30.0	
from prior year	165.3	195.3	164.1	194.1
at disposal		1,579.3		671.5
which the Council recommends be allocated as follows:				
Dividend		156.0		140.2
Statutory Reserve Fund		208.5		72.0
Extra Reserve Fund		1,000.0		130.0
Handelsbank Benevolent Fund		2.0		2.0
Handelsbank Welfare Fund		1.0		1.0
Handelsbank Foundation		1.0		1.0
Investment Fund		0.0		160.0
To be carried forward to next year		210.8		165.3
		1,579.3		671.5

After the transfer to the statutory reserves of an additional Kr. 0.5 million, which represents a premium on the increase of the Bank's capital in 1983, the shareholders' funds now stand at Kr. 4,661.8 million.

Subordinated loan capital totals Kr. 1,258 million, which brings the total capital funds of the Bank at the end of 1983 to Kr. 5,939.8 million.

Agenda

The Board of Directors will render:

(a) The Annual Accounts incorporating the Annual Report, the Profit and Loss Account, the Balance Sheet and the Consolidated Accounts with their recommendation for the approval of the Profit and Loss Account and the Balance Sheet, and their recommendation for the discharge from their obligations of the Board of Directors and Management.

(b) The recommendation of the Shareholders' Council for the appropriation of the amount at disposal according to the Profit and Loss Account.

(c) The unanimous recommendation of the Shareholders' Council to raise from Kr. 1,250 million to Kr. 1,750 million the limit on the authority previously vested in the Board of Directors by the general meeting for it to receive subordinated loan capital in accordance with Section Twenty-two of the Commercial Banks and Savings Banks Act.

If this recommendation for the increase of the aforesaid authority is adopted, subarticle (1) of Article Seven shall be amended so that Kr. 1,250 million be replaced by Kr. 1,750 million.

(d) The unanimous recommendation of the Shareholders' Council to bring Article Fourteen in line with the amendments to the Executive Order on the submission of annual accounts, etc.

It is proposed that the opening paragraph and subarticles (1) and (2) of Article Fourteen be worded as follows:

At the ordinary general meeting shall be submitted the Annual Accounts, the Annual Report and the Consolidated Accounts with the Auditors' Report.

The Board of Directors shall render:

(1) The Annual Accounts incorporating the Balance Sheet, the Profit and Loss Account and Notes thereto, The Annual Report and the Consolidated Accounts, and with their recommendation for the discharge of the Boards of Directors and Management.

(2) The recommendation of the Shareholders' Council for the appropriation of the amount at disposal according to the profit and Loss Account, or for the cover of any loss.

(e) The unanimous recommendation of the Shareholders' Council that the Board of Directors be empowered to make such amendments to the Articles of Association as the Supervisor of Banks or Registrar of companies may require before confirmation/registration of the amendments to the Articles of Association as recommended under items (c) and (d) hereof can be effected.

(f) Effective from July 1, 1984, Section Forty-eight of the Danish Companies Act has been amended so that public limited companies including banks may acquire own shares only where their boards of directors have been so empowered by the companies in general meeting. In line with other banks, the Bank has, as part of its ordinary activities, always traded in shares including its own, and intends continuing to do so.

Accordingly, the Board of Directors requests the general meeting to authorise it as follows in accordance with the provisions of the aforesaid section.

"Until the ordinary general meeting in 1985, the Board of Directors shall be empowered to acquire the Bank's own shares, to hold absolutely or as pledge always provided that the Bank's portfolio of own shares shall at no time exceed ten per cent of its share capital. The remuneration may not differ by more than ten per cent from the official price quoted at the time of the acquisition.

Furthermore,

(g) Election of members to the Shareholders' Council.

(h) Election of State-authorised Public Accountants.

The passing of the resolutions concerning amendments to the Articles of Association under (c) and (d) of the Agenda requires a two-thirds majority of both votes cast and share capital represented at the Annual General Meeting in accordance with Article 15 (2) of the Articles of Association and Section 78 of the Companies Act.

Any person being able to identify himself as a shareholder may obtain an admission card on application to the Bank's branch at 6, Frederiksholms Kanal, Copenhagen K., Denmark, during normal business hours, from March 5 to March 14, inclusive; alternatively, the admission cards may be obtained from N. M. Rothschild & Sons Ltd., P.O. Box 185, New Court, St. Swithin's Lane, London EC4P 4DU.

Shareholders, whose shares are entered by name in the Bank's register of shares, will receive the Agenda and the Annual Accounts through the post at the address stated in the register. Other shareholders may on application to any office/branch of the Bank, and to N. M. Rothschild & Sons Limited on or after February 27 have the aforesaid Agenda Paper and annual Accounts sent to them.

Copenhagen, February 15, 1984.

Board of Directors

COPENHAGEN HANDELSBANK A/S
(Aktieselskabet Kjøbenhavns Handelsbank)

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SECTION IV

FINANCIAL TIMES SURVEY

City of London Property

Quality leads the field

IT IS difficult to choose a single outstanding theme from the happenings in the City of London property market last year. Location, lettings, the demonstrated strength of the occupier, questions of operational quality and external design, politics and funding all hit the headlines at one time or another.

By WILLIAM COCHRANE

But a live market is one which moves. And move it did, in the autumn and winter of 1983. "Activity . . . increased considerably as the summer progressed," say Richard Ellis in their latest City property report, "culminating in a large amount of space going under offer in the final quarter."

Ellis noted a decline in new space coming on to the market in the second half of last year —1.4m sq ft against 2.2m sq ft in the first six months. On take up, they question the recorded figure of 2.8m sq ft, noting that a number of older buildings were acquired as vehicles for development or refurbishment.

City talk

They conclude: "Space . . . taken up during the year by prospective occupiers amounted to 2.5m sq ft, which compares with 2.3m sq ft both in 1981 and 1982."

All over the City there was talk of occupiers moving from the central core to the fringes, or further. Ellis demonstrates why: "Less than 1m sq ft (or 24 per cent of available space) is now located within the central City core," they note.

"It is interesting if unsurprising that older buildings offering a relatively low standard of accommodation, which have been released by previous tenants, form a significant percentage (some 43 per cent) of this total."

As the world's most expensive market in (frequently) second rate space, the City core is still superb in attracting foreign banks which want representation. But when those banks are established, and expanding, it can hardly be surprising that they go where the space is more efficient and cheaper.

Mellon Bank's switch to Cutlers Gardens on the "wrong" side of Bishopsgate—this must have been sweet satisfaction for Stuart Lipton who departed from the developers, Greycoat, at a time when Cutlers was looking hard to let. First Chicago's shift to the MEPC/Legal and General Long Acre office scheme at Covent Garden; Chase Manhattan considering a partial move to Swindon, further demonstrated that the occupier held the whip hand.

Chris Peacock of Jones Lang Wootton says that 1983 was "the year of the tenant." Early on, that meant a lot of abortive work as latent demand simmered, rather than boiling over into actual deals, but now he sees real growth in two areas—American investment banks, and their Japanese and European counterparts.

"Last year, it was much more fun to act for someone acquiring space," says Mr Peacock, "but the scene is changing much sooner than I anticipated." The appearance of prime space in the core, he thinks, was a temporary phenomenon.

Impression of the first phase of St Martins' new London Bridge City development on the South Bank

The City core continues to attract foreign banks but for many customers prestige is no longer so important as premises geared to a fully-automated office and they are prepared to settle for the peripheral areas

"Oversupply now is on the fringe," he says, "yet the take-up rate is largely related to that fringe." He adds: "I am aware of serious enquiries in relation to all the major schemes which are now going on."

Rodney Petty, of Weatherall Green and Smith, talks about what tenants want in terms of location, and quality. Giving due credit to Cutlers Gardens — "almost a separate entity" — he says that on balance the lateral move has been westwards.

This is no surprise. Traditionally, shipping, insurance and commodity traders have represented the "eastern bloc" among City occupiers. "Most major insurance companies have done their thing and shipping," says Mr Petty, rather kindly, "has been quiet."

He endeavours to introduce some balance into the banking growth argument. "Bankers are trimming a bit on space," he says, with a thought to the Bankers Trust retrenchment announced early in February. "Their requirements for quality are increasing; yet they are more cost-conscious, especially in terms of service charges and rates."

On quality, he says that property has to be effective on the inside — which seems to mean flexible, wide open space. "Raised floors are very popular," says Mr Petty, "giving flexibility for the running of cabling; and air conditioning is asked for almost without exception — but it has to be efficient, and not prohibitively expensive."

Last year also saw a situation which drew the investment, occupational and development markets into financial conflict. Edward Erdman majored on the subject — City freeholds — in their 1983 property report.

Two markets

They opened: "1983 saw the City divided into two distinct vacant possession markets; the freehold and the rack rented. Freehold sales within the prime financial core of the City of London have always been extremely rare," they said, yet 1983 witnessed over £100m of them."

Of the nine freehold sales listed by Erdman, four went to owner occupiers, three to developers and two to investment funds. The funds' relatively low profile is perhaps understandable in a year which saw them still trimming back on their property investment and re-engaging in the cyclical joys of the equity.

But the predominance of the owner occupier suggests a number of things. First, that the City core is seen to have high intrinsic value as a scarce, prime location; that however expensive it is now for tenants, is it likely to become more so; and that the occupier knows precisely what he wants, is prepared to get deeply involved, and will accept financial risk to get it.

Erdman accept that, on a superficial view, the availability of all these properties in a single year may seem ominous. "On closer consideration, however," they say, "it becomes apparent that many of the vendors were relocating to new offices in the City and, in certain cases, taking substantially more space."

Meanwhile, a furious battle of words has been going on, a lot of it in the letters column of this newspaper, between conservationists like SAVE and developers, architects and others who believe that new buildings are necessary to save the City from stagnating in an atmosphere of preserved, inefficient Victoriana.

Controversy is a healthy feature of an evolving market. Polarisation is not, whatever the proponents of the two-party system might say. In most cases the conservationists and the "new build" school seem intent on damning the inadequacies of the other side.

More concentration on refurbishment which works in terms of operational efficiency, or new buildings which are not an eyesore — and there *are* some of those — might make better sense in the long run.

For the current year, Ellis are forecasting a take-up of around 3m sq ft against a new supply in the 3¼m area. Some existing space is likely to be withdrawn from the market for improvement or redevelopment —as has recently been the case with IBM's former headquarters at 40 Basinghall Street.

As a result, the forecast is that the overall level of availability should continue its recent decline to total around 3m sq ft by the end of the year.

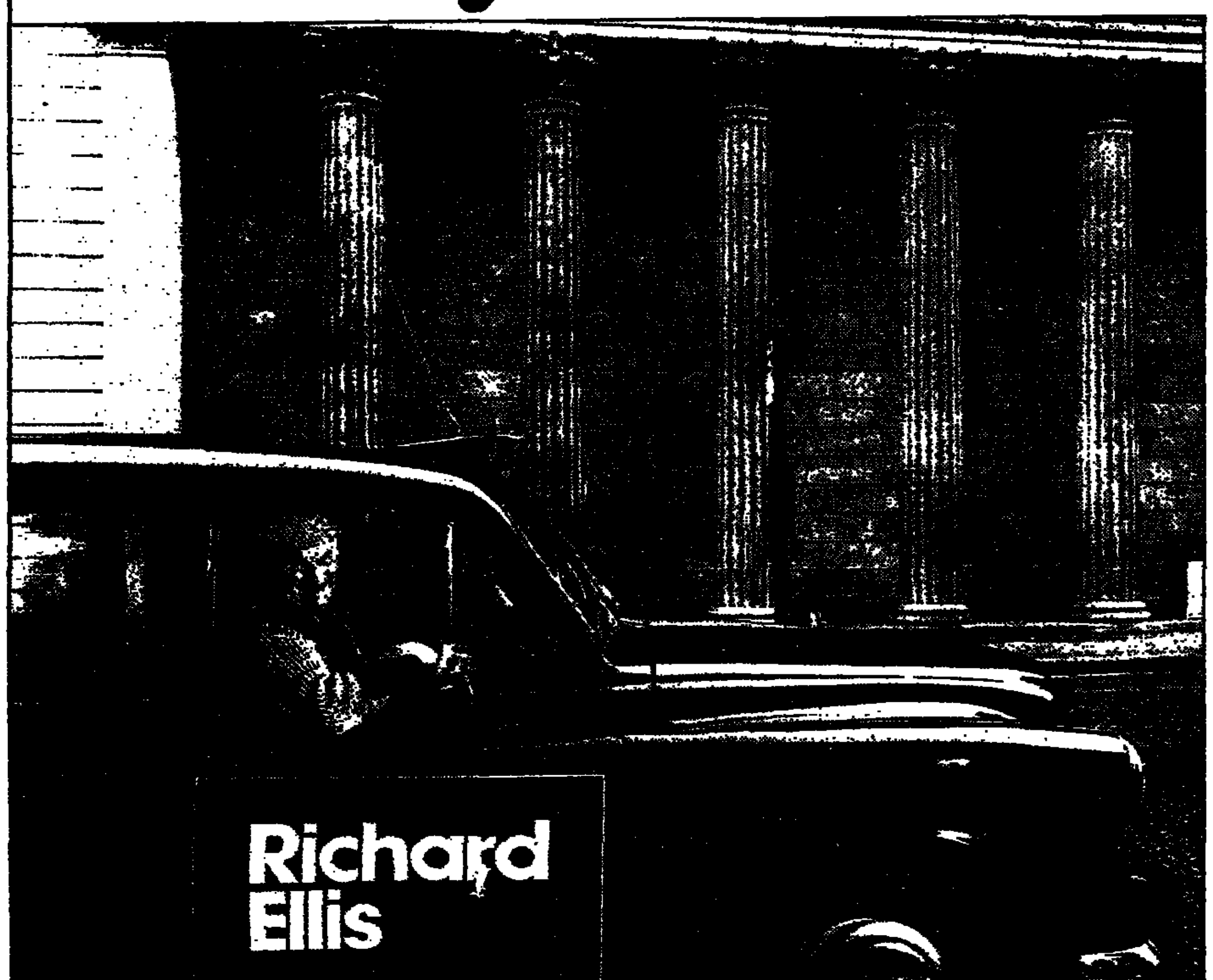
Rental growth is expected to resume after the stagnation of last year, the argument between prestige and efficiency (or central location versus good space) will continue and perhaps more tenants will vote with their feet and go to the fringe (including St Martins' brave new London Bridge City on the South Bank), westwards or even further.

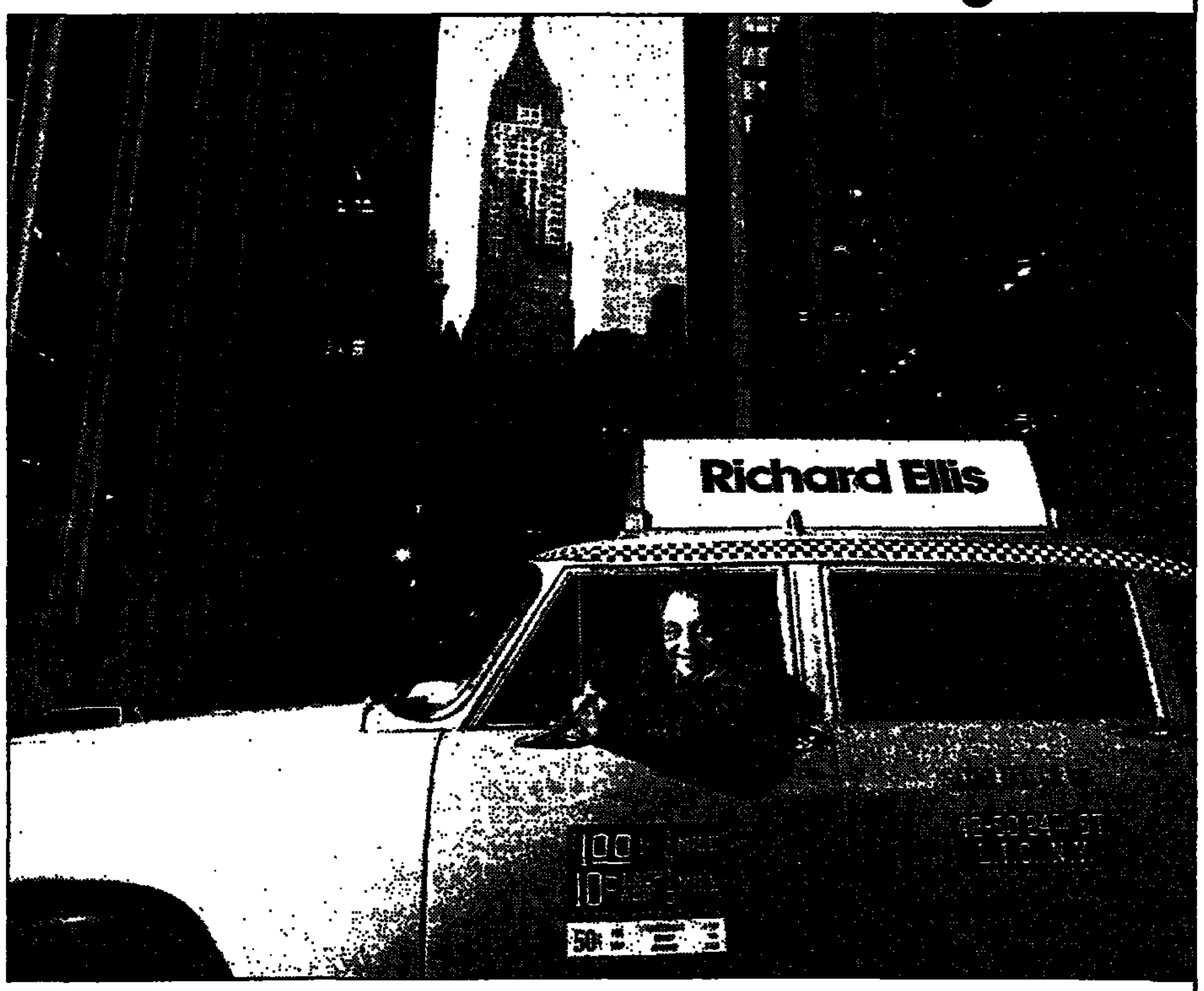
Public inquiry

The argument between refurbishment and new build is likely to be brought to a head in the three months from May 1, when Peter Palumbo's Mansion House Square scheme will be the subject of a public inquiry.

Hillier Parker's David Price, in charge of the City agency side, predicts that 1984 will be a year when a number of big names will *need* to make decisions on the City properties they studied last year; notes that supply and demand is finely balanced, to the extent that a shortage of prime accommodation could quickly appear; and that markets have a "herd instinct," acquisitions by some prompting more urgent consideration by the others.

CONTENTS





Demand started to improve at the end of last year

The smiles appear again

Agency market

MICHAEL CASSELL

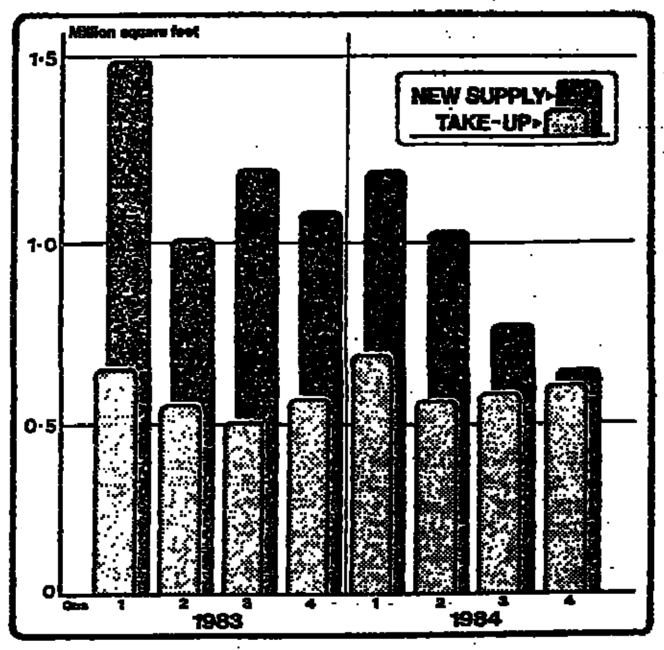
WHILE MANY parts of the UK property market still await signs that the worst is over, the City of London is already providing clear and irrefutable evidence that a revival in its own fortunes is well underway.

Only nine months ago, the City office market was suffering like everywhere else. The 45m sq ft of office floorspace which comprises one of the most important (and certainly the most expensive) business locations in the world was suffering from high supply, low demand and stagnating rents. Confidence about the prospects for an early recovery seemed as elusive as tenants.

Financial incentives and long, rent-free periods had become an accepted part of the market and agents found it increasingly difficult to maintain professional smiles on their faces. Things looked bad.

Neither did the crude statistics which spelled out the market's condition give any encouragement for those seeking a silver lining.

By the summer of 1983, the total amount of office floorspace available in the EC postal districts had swollen according to agents Richard Ellis, to no less than 4.5m sq ft—10 per cent of the total stock. Three years before, the total stood at just 1.2m sq ft.



Oversupply

The huge oversupply starkly underlined the fact that, while demand remained weak and patchy, large volumes of new floorspace were coming on stream at the end of the development process. At the same time, space was being vacated by occupiers who could no longer justify an attitude towards property which had been nurtured in better times.

While the supply of space mounted, many traditional City space users either postponed expansion plans, sought out cheaper accommodation further afield or simply shed some of the floorspace they already had.

Some of those occupiers who might have been expected to arrive on the scene, like the international banks, failed to materialise and in sectors like shipping and insurance the emphasis was on contraction rather than expansion.

As the great shake-out continued, an unusually large number of freehold properties with vacant possession became available and the competition they provoked among potential investors and occupiers at least gave grounds for longer-term optimism about the City's underlying strength.

Notable deals included the sale of two Royal Bank of Scotland buildings in Lombard Street, St Magnus House, the Midland Bank buildings at 60 Gracechurch Street, the National Bank of Chicago building at 1-2 Royal Exchange, Pinners Hall, 30-34 Moorgate, 1 Bishopsgate and 51 Eastcheap.

Imbalance

According to Jonathan Edwards of Baker Harris Saunders: "The imbalance between supply of prime investment opportunities and the weight of money available overcame any shortcomings in the letting market. Despite the downturn in activity, long-term funds were readily available for prime properties at very competitive yields and in some cases anticipated rentals well in excess of prevailing levels."

But the weak market in the first half of 1983 meant that, for the first time, there was an oversupply of high quality banking space in the central City core, particularly in the tower blocks where rates and service charges had risen substantially.

Increasingly, occupiers began to balance the merits of a central location with the lower costs inherent in accommodation elsewhere.

The impact on rents was a stabilisation at a peak of around £30 a sq ft. Jonathan Edwards says that, although there was little or no market evidence to support the view, many agents believe rents actually fell during much of last year — an opinion supported by a number of lease assignments at substantially reduced premiums and by the presence of significant financial incentives offered to prospective tenants on the City fringes.

By the middle of 1983, however, real signs of an improvement began to emerge. The General Election helped clear the air and falling interest rates and lower inflation combined to promote the first stages of recovery.

Agents began to report a reduction in the time-scale involved in the decision-making process before lettings and inquiries gathered pace. By the autumn, the deals were beginning to flow.

Some of the office developments which had stood empty — a testament to the hard times which had accompanied their appearance on the market — began to find tenants.

Cutlers Gardens, on the eastern fringes, is now virtually fully let, Hambro Life's Citicape House on Holborn Viaduct has been taken, Bishops Court in Artillery Lane has a tenant and several of the major buildings around Finsbury Square — at the forefront of recent lettings and investment activity — have now been accounted for.

According to Peter Oswald of Savills, which now has an active City office, the turning point came quite quickly when it finally arrived: "We moved from a position in which occupiers showed little interest in the market to a point where inquiries began to flow and deals followed. There is no doubt that the market is now reflecting the improving economic climate and we expect 1984 to become increasingly buoyant."

The improvement in demand towards the end of 1983 helped compensate for a very shaky start. Estimates by Richard Ellis suggest that nearly 3m sq ft of office floorspace was taken up during 1983, although the agents emphasise that the final figure ended up at around 2.5m sq ft, once properties taken off the market for redevelopment or refurbishment were eliminated.

Distortion

The figure nevertheless compares well with the average 2.3m sq ft take-up recorded in both 1981 and 1982 and serves to illustrate that, while demand remained weak but reasonably consistent, it was the new supply (existing floorspace and new accommodation becoming available) which created the hopeless distortion in the overall market balance.

Clive Arding of Richard Ellis's City office says the revival in take-up was particularly marked in the last quarter of 1983 and has been carried forward into 1984.

"During the last three months of 1983, the market returned to the point where there was a balance between new supply and take-up. Space coming onto the market had previously exceeded take-up by a substantial margin since 1980."

Ellis calculates that last summer's peak of available space — at 4.5m sq ft — had fallen to around 3.9m sq ft by the end of 1983 and is continuing to decline.

An analysis of the location of the stock of available space provides an interesting insight into prospects for various sectors of the City market. Of the total floorspace ready for tenants in the EC postal districts, only around 900,000 sq ft is now available in the central core and only about one-third of that involves prime, air conditioned office space.

Elsewhere, the stock of floorspace available immediately to the north of the central area stands at around 1m sq ft, while the balance of supply is scattered around the remaining fringe areas.

Success

In the fringes generally, there has been a significant degree of success for space in new developments.

Most City property market specialists now believe that the remainder of 1984 will see a continuation of the recovery.

Richard Ellis believes that around 3m sq ft of office accommodation will be taken up during 1984 as a whole, a total which would make it the most active period in the City since 1978-79.

New supply, however, will remain high—reflecting a high level of development completions and refurbishments coming onto the market. About 3.25m sq ft is likely to become available overall, compared to a little over 3.5m sq ft in 1983.

Despite the gap between take-up and new supply, however, actual availability should fall to around 3m sq ft by the end of the year because a significant proportion of space taken off the market will be for redevelopment and will not reappear for some time.

The extent of the improvement in demand for floorspace will naturally be tied to the strength of the domestic and international economies but more floorspace seems likely to be required by the banks and other parts of the financial sector.

As to the type of accommodation which will be in demand, there seems little question that the emphasis will increasingly be on quality and efficiency.

Whereas once the City market could be neatly split between those offices located in the core and those beyond it, there is now at least the prospect that locational requirement will prove no more important than the standard, flexibility and efficiency of the accommodation involved.

It is no coincidence that virtually all the new office development or refurbishment projects now incorporate air conditioning.

In terms of new development space coming on stream, speculative completions will this year add an estimated 1.75m sq ft of floorspace to the City office market, a small increase over 1982 and the highest level since 1981.

In 1985 and 1986, completions will add something in the order of an additional 1m sq ft each year. Much of the space will, however, not be in the central area.

The spate of office schemes under way or proposed in the City reflects the changing requirements of tenants and the cost pressures they face. Buildings have to be energy-efficient and able to provide a flexible internal format which enables the occupier to alter office configurations as required. Larger floor areas in particular seem popular.

Among the major new schemes ready for occupation or in the pipeline are Trafalgar House's Plumtree Court in Farringdon Road (184,000 sq ft), the Greycoat-Rosehaugh development at Finsbury Avenue (261,000 sq ft), International House at the World Trade Centre (200,000 sq ft), Royal London House, Finsbury Square (190,000 sq ft), Haslemere Estate's scheme at Bevis Marks (101,000 sq ft), London and Edinburgh's Billingsgate development (165,000 sq ft) and Ebbgate House, the Edger Investments building (127,000 sq ft).

Of more than passing concern to the owners of buildings like these and the numerous developments which will be entering the pipeline is the outlook for rents.

Most agents, however, believe that rents this year will advance. Jonathan Edwards expects a general rise in the order of 10 per cent and says rents in excess of £35 a sq ft should be comonplace by 1985. Higher rents for the most popular property are also possible, he adds.

Richard Ellis, which in 1981 predicted top City rents at between £40 and £45 a sq ft in 1985, concedes that the recession knocked its forecast about but it still expects prime rentals to rise from about £31 a sq ft to around £34 a sq ft over the year.

Clive Arding believes that the lower end of the 1981 forecast could be achieved towards the end of next year.

The worst certainly appears to be over, though the speed and extent of the recovery will ultimately depend on numerous factors beyond the control of ordinary mortals and letting agents. But at least some of those smiles are returning.

Wind of change hits the core

Development

WILLIAM COCHRANE

"PEOPLE seem to be of the opinion that planners have no power to procure the development of good modern buildings," says Trevor Morgan of Erdward Erdman's City office.

He sits with his back to the unprepossessing (but retained) facade of 62-64 Cannon Street which is said to have cost Legal & General an extra £10 a square foot in redevelopment costs. He wonders whether the fashion for conservation "has gone a little bit too far."

Why is it, one might ask, that the definition of prime space is pushing south and west of the traditional central core of the City? Could it be that some of the centre is not up to scratch? Mr Morgan thinks that way: "There is definitely an argument for some of the central core to be knocked down," he says.

Until recently, the Palumbo scheme at Mansion House was seen as the only core site where a major redevelopment was likely to take place, and the architectural perfectionists were having a heyday with it.

Now it turns out that Wates Developments have plans for nearly 170,000 sq ft of office and banking space next to Mr Palumbo—on a site bounded by 72-80 Cheapside, 9-12 Pancras Lane, 1-2 Bucklesbury and 83-93 Queen Street.

A pattern

This has to be a healthy trend, if one is beginning. For a long time now, the argument between conservation and operational efficiency in the City seems to have proceeded by default—in the sense that expanding users have been moving out.

Richard Ellis notes in its latest City report: "While some financial firms continued to take space in the traditional central City area, others moved northwards to take substantial units around Finsbury Square and in Cutlers Gardens. This pattern," they say, "appears to have been influenced as much by the availability of quality accommodation as by considerations of cost.

"If the choice is limited to a centrally located refurbishment or a new building elsewhere," says Ellis, "some may select the former option—but at a reasonable rent." The firm thinks that to attract a tenant within a reasonable time span, even the best - located refurbishments need to offer high-quality accommodation.

Bill Peach, who has just moved from Ellis to City specialists Baker Harris Saunders, takes time off major preoccupations like Finsbury Avenue and London Bridge City—both of which exemplify the optimism which is the keynote of the City development market at present — to look broadly at the issues.

Undeserved

Like a number of others, he thinks that some buildings which have been conserved did not really deserve to be. He thinks that Cannon Street has moved a long way up-market as a result of its redevelopment; that Finsbury Square looks a good refurbishment prospect, with Royal London Mutual at Trident Court and the Bank of Nova Scotia's acquisition of Finsbury Square House.

He also thinks that some areas in the central core will become less sensitive than they are today; and certainly, the variously lowered degrees of temperature in the shipping, insurance and commodity markets makes one wonder about EC3.

Meanwhile, not all developers are concentrating on the big space user. Guardian Royal Exchange, with London architects the Thomas Saunders Partnership, conceived the City Village in Lovat Lane, EC3, which aims to safeguard the architectural character of the area while providing office accommodation for the smaller business in the heart of the City.

The £14m development comprises six new office buildings adding up to 62,000 sq ft, and has been designed to blend with the largely Victorian and Edwardian buildings in the immediate area, which lies between Eastcheap and Monument Street.

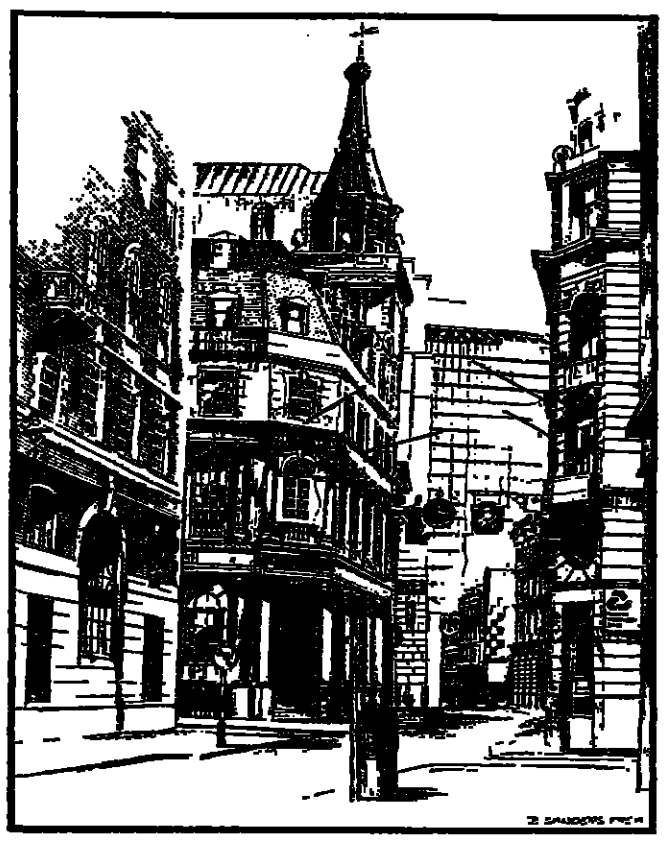
The scheme is old-fashioned on the outside, and modern within. It serves to indicate that there is room for all sorts of ideas, if the City stays alive.

THIS YEAR had hardly drawn breath before property developer Peter Palumbo was in the news again, acquiring the leasehold of 1, Queen Victoria Street and removing another obstacle to his long standing redevelopment plans for the area around the Mansion House.

On May 1, a planning inquiry into the scheme is expected to begin, and last for about 12 weeks. The plans include a new square in the centre of the City (right), an air-conditioned, underground shopping concourse and a 178,000 sq ft office tower.

Between 1969, when the plans got conditional approval and 1981, when the City rejected them, tower blocks have gone out of fashion. Atria, apparently, are "in." Mr Palumbo might reasonably argue that the economic arguments against tower blocks are his problem; and that there are those who prefer their air fresh, and accessible—the tower occupies only 22 per cent of the total site space.

Meanwhile the aesthetes might like to have a look at the Commercial Union Undershaft building, and think what future generations will make of it.



Artist's impression of the Lombard Street building which effectively had the same occupier for the best part of a century

Mansion House Square scheme: model shows the view to the Mansion House and St Stephen Walbrook

Refurbishment in Lombard Street

SPEYHAWK'S refurbishment of 60-62 Lombard Street and the adjoining 18 Birchin Lane will be completed this September or October. The development had sizeable problems related to age and occupancy, but plenty of scope for improving the net to gross space ratio.

The Lombard Street building, next door to the church of St Edmund the King, was built in 1889 to the design of John Macvicar Anderson as the London chief office of the Commercial Bank of Scotland (*now part of the Royal Bank of Scotland, the vendors*) and extended in 1922 by his son, H. L. Anderson.

So, effectively, it had the same occupier for the best part of a century. Trevor Osborne, Speyhawk chairman, comments: "Over the years, in many city buildings, it has been practical and expedient to make piecemeal alterations related to the need to maintain occupancy.

"Lombard Street ended with a hopeless layout inside, a worn out interior and some illogical shapes at the rear where it linked with 18 Birchin Lane," he says. "Floor levels had to be adjusted in Birchin Lane to match Lombard Street... it was necessary for the layout to be completely undone."

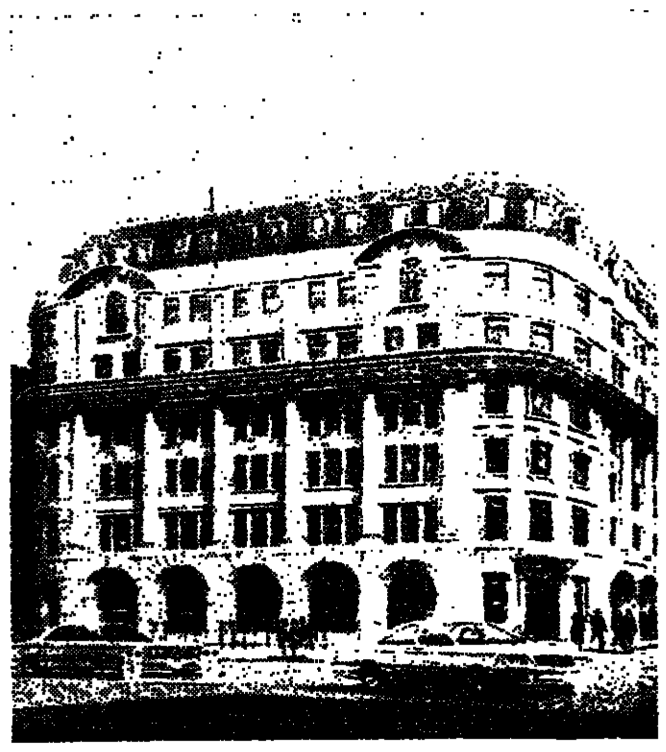
However, Speyhawk is increasing the net lettable area from 17,680 to 28,500 sq ft; by filling in a light well; taking out staircases; and slipping in an extra floor at mezzanine level, among other things.

It needed that to make the investment arithmetic work. Royal Bank got £9.3m for the two buildings and Mr Osborne agrees that they were said to be overvalued at the time. The price was split as to £9.3m with planning permission and £7.5m without.

The vendor did not want to sell subject to planning permission and the funder/investor, Scottish Equitable, did not want to buy without it. "Speyhawk had to stand in the middle and take the £1.8m risk," Mr Osborne says.

In the end, the risk could pay off handsomely. Total cost of the project is now estimated at £17m or so, and total investment cost to Scottish Equitable might be close to £20m. To justify the arithmetic, Speyhawk is aiming for a rent of upward of £1m or over £35 a foot.

Agents involved in the scheme are Chestertons, who introduced the project, Drivers Jonas and Wright Olfphant and Tribe.



The listed facades are retained in this drawing of the Moorgate redevelopment

When compromise pays off

SOME PEOPLE say that redevelopment behind an existing facade is a sham. If the ceiling heights are wrong, windows can be in the wrong place, and sometimes the facades are not worth retaining.

Where it works, however, the genre is an effective compromise in the conflict between City conservationists — saying that most new developments are cheap and nasty—and their opponents who can point to the operational inefficiency of older buildings in the central core, refurbished or otherwise.

Commercial Union Property's 48,000 sq ft scheme at 1 Moorgate has been designed with the end user very much in mind, says Donald Newell, City head of Hillier Parker, consultant surveyors and letting agents to the development.

The listed facades to Moorgate, Lothbury and Coleman Street are being retained. For the totally reconstructed building within, the design stage started four years before the start of construction, says Mr Newell.

He says that the professional team has researched all possible tenants' requirements, investigated many new and second hand buildings both in this country and abroad and interviewed occupiers as to the benefits and disadvantages of the buildings they occupy. Tenants' requirements, he says, have been incorporated.

The office building is opposite the Bank of England, incorporates a banking hall, and is aimed at a single banking tenant who is expected to pay over £32 a square foot in rent.

The scheme is being undertaken on behalf of one of Commercial Union's long-term funds and it is believed that development costs will be in the order of £8m—not cheap but, as Mr Newell says, "we are coming to the stage where people are realising that they will make a loss if they do not do the job properly."

CITY OF LONDON PROPERTY IV

Where flexibility is the key word

Quality

DAVID LAWSON

THE CITY of London has traditionally proved the clearest example of the rule that location is the most important factor influencing potential tenants and, therefore, property developers.

Demand from banks, insurance companies, financial institutions and professional advisers for the restricted number of premises within the City core has not only kept rents high but also tended to blot out that other important factor—quality.

There are strong signs, however, that the pendulum has swung away from the near-hysterical drive for the best location at almost any price. The recession may not have crippled the City in the way it has other areas, but demand has been relaxed for long enough to give potential tenants some degree of choice about the space they will take—and to force landlords to assess what they have to offer.

At the same time, businesses have become more sophisticated in their demands, partly because of the need to obtain better value for money during a time of restraint, and partly because of the changing needs created by new technology like computer links.

Flexibility is a word heard as often as location in much of the advertising today, while behind the facade of sky-high rents, many buildings with the "right" addresses are being dismissed as unsuitable propositions without substantial remodelling.

This might be expected in the older buildings which make up something like three-quarters of City space. But such is the sea-change among tenants that even buildings erected within the last decade are already out of date. They often cannot handle the wiring, trunking and ventilation needs of the electronic office without costly changes.

Public view

Peter Oswald, a Savills partner, came out in the agents' 1984 Outlook with probably the strongest critique of City buildings, setting the scarcity of flexible space against the public view of massive over-supply of premises.

He quoted an American banking client who wanted foot-high trunking, 12ft ceilings, no columns and perimeter lifts. This approaches an almost unreal perfection, but illustrates the disparity between much tenant demand and the space available.

Even in modern buildings, central lift cores can prevent tenants from making changes in the layout of their offices, while Mr Oswald is astonished at new premises coming onto the market with 1in service ducting.

He even takes a side-swipe at the much-praised Baring Bros building in Bishopsgate, which is only two years old and has 4in raised floors to carry the mass of wiring needed for the electronic office. Even that floor is judged 3in too low for some tenants, he says.

Hillier Parker, who managed the building project and helped let the block, seems proud of the design, however. They see the building as a prime example of premises needed by the bankers and dealers who typify the modern tenant.

The failings of much City property are well illustrated in a checklist by Hillier Parker of some of the specifications this sector requires:

- Floor loadings of 80lb per sq ft plus at least 20lb partition allowance.
- Ceiling heights of 8ft 6in, good natural light and preservation of views.
- Variable air volume (VAV) air conditioning if costs allow.
- Maximum flexibility of space use. This means ensuring correct positioning of air-conditioning ducts, window mullions, light fittings and ceiling grids to enable the widest variety of partitioning.
- For the same reason, raised floors to allow maximum number of outlets for power and telecommunications.
- High running efficiency. Tenants are becoming more aware of overall costs of accommodation.

The scarcity of sites in the City core and the strict protection enforced on existing building planners means there are few oportunities for providing the new structures which would meet these demands.

Problems

Renovation was once the answer, but much tenant demand has raced beyond even high-specification projects. The problems of high ceilings, structural internal walls and poor insulation are in many cases too great to produce premises of the right standard for the high-tech tenant.

There is still great demand for such space from smaller tenants such as professional advisers who may not have the same operational needs. But even these are adopting higher standards and buildings do not pre-let automatically as they did a few years ago.

This means that rental values have not grown in the way that could have been projected a few years ago and could be an indicator for the future of office development elsewhere.

Developers have reacted by raising standards and modifying rents. Vacated buildings are being kept off the market for renovation, and there is a move towards complete rebuilds where it is realised that renovation is not enough.

Commercial Union, for instance, has ripped everything away from No 1 Moorgate except the listed facade. Hillier Parker and the rest of the development team spent four years planning the new internal space to aim to provide 48,000 sq ft of the highest quality banking space to suit the prime location next to the Bank of England.

Such opportunities, are rare, however, and potential tenants are increasingly doing the unthinkable—looking to the fringes of the City for suitable accommodation. Only a couple of years ago the vast amounts of new space becoming available around the northern city fringes was frightening the analysts, while developments in Holborn and Strand were considered very secondary and the South Bank seemed as far away as the dark side of the moon.

Magnets

Today, the 600,000 sq ft Cutlers Gardens scheme near Bishopsgate is filling with financial tenants, while Midland and Grindlays banks face each other across the Thames.

In other words, while location is still important to tenants, it no longer overrides all else. They will seek to be near the magnets of the City core but if the right space is not available they will move to the edge—or out of the City.

The old adage that the three most important factors in development were location, location and location is ready to change to location, quality and value—but not necessarily in that order.

Testing a barrier

DEVELOPERS are beginning to take advantage of the increasing willingness of City tenants to look beyond the traditional core location to fringe sites for the large, quality buildings they require for expansion.

Greycoat was something of a pioneer with its 600,000 sq ft Cutlers Gardens, which hardly seemed like a bold step to outsiders because it appears so close to the City. But so small a step for the financial concerns who have moved in was a giant leap for the market as a whole, as it proved that such tenants would opt for quality and lower rents rather than the best location.

Other big schemes are now coming out of the ground in a bid to tap the same demand. Greycoat and Rosehaugh have almost finished the 260,000 sq ft first phase of a distinctive office development near Liverpool Street Station, while British Rail is still trying to sort out plans for more than 750,000 sq ft around the station itself. Meanwhile, on the southern fringe of the City, London & Edinburgh Trust is working on its £75m development of Billingsgate Market.

The most ambitious project, however, is the redevelopment of the semi-derelict Hay's Wharf site on the South Bank, newly-dubbed London Bridge City, which could cost St Martin's Property Corporation some £350m. While the site is a mere seven minutes from the Bank, the developer has to overcome an immense psychological barrier in persuading tenants to cross the river out of the beloved City.

In its favour will be rent levels of between £14 and £18 a sq ft—which will appeal to the new-found frugality of many City tenants facing rents of more than £26 a sq foot—and some of the most flexible high-quality space being built anywhere in Britain.

Conviction

Both London Bridge City and the Liverpool Street developments are set to test the conviction among most City property observers that seemingly immovable tenants will opt to leave the City core to find the right quality space at the right price.

The first phase of the South Bank scheme is divided into three main components, all coming on-stream between mid-1985 and 1986. They are the granite-clad No 1 London Bridge (100,000 sq ft), the glass fronted Cottons (130,000 sq ft), and the rebuilt Hay's Galleria (six buildings of between 21,000 and 73,000 sq ft).

One of the main attractions being stressed by agents Jones Lang Wootton and Baker Harris Saunders is the flexibility of such a varied scheme. At one extreme Cottons can provide single floors up to 50,000 sq ft to suit the dealers and brokers who need such wide spaces; at the other will be units down to 4,000 sq ft in the Galleria.

Internal design by Fitch and Co has leaned heavily on the Orbit Report's concept of the modern office, with 4 in raised floors, 8 ft 3 in minimum ceiling heights and maximum allowance for variation in partitioning.

The movement of Warburgs to the 130,000 sq ft King William Street House at the northern end of London Bridge and Grindlays to the South Bank bodes well for schemes like Finsbury Avenue and London Bridge City. Many merchant banks are looking for new space because they cannot find the quality they require in the City core and such willingness by leading names to settle for a less central location should lead others to follow the same route.

The big property investing funds have yet to be convinced that the change in direction merits their involvement—Greycoat/Rosehaugh and London & Edinburgh are working with syndicated loans while St Martins is an arm of the cash-rich Kuwait Investment Office. A few lettings may prove the case and bring an even greater surge into high-quality development outside the City.

David Lawson

Bonanza for specialists

OLDER BUILDINGS are proving to be a problem in the City. They usually do not have the capacity for cabling required for extensive use of electronic equipment by tenants such as banks and financial dealers, nor the space for ducts to carry air conditioning.

High rents and recession have encouraged occupiers to demand lower running costs, yet even relatively modern blocks are not energy-efficient. Nor do they have the internal arrangements of lighting and column spans matched to window placing which allows flexible internal arrangement of office space. Developers were not concerned with such details when they could let building easily in the years up to the 1970s.

Building companies like Ashby & Horner have been provided with a bonanza as landlords seek to uprate their space to attract tenants, and owner-occupiers seek more efficient use of space so they can sublet in the face of high rents, rates and running costs.

Where occupiers want to improve the quality of their premises without sacrificing prime location, James Thornton, a director of A & H, points out that many premises managers are coming to terms with rapid refurbishment involving fitting false doors storey by storey while business goes on in the building.

Ceilings can be ripped out to maintain headroom and uplighting plus spotlights substituted. Air conditioning can sometimes be fitted into curtain walling.

Far more substantial work may be required by a landlord seeking the best of an old building. Finsbury Square House, renovated at a cost of £4m by Ashby & Horner for Norwich Union, is a good example. The proof that such renovation can be worthwhile comes from the purchase by the Bank of Nova Scotia from Norwich Union of the 54,000 sq ft block after the work was done.

This was typical of a pre-war office building: steel-framed, stone-clad, with limited toilets and one main staircase. New boiler houses, plant rooms and switch rooms had to be built in the basement and on the roof for the air conditioning, while floor ducting and skirting trunking were built for cabling.

A typical problem in these buildings is low cross beams, which make it impossible to insert false ceilings to take air conditioning ducts without cutting into the window areas. Blanks were used at the top of each new, double-glazed window in Finsbury Square House to mask the effect. Even modern, curtain walled office blocks in the City often have inadequate ceilings heights to make this conversion.

Structural alterations to provide new stairs, lift and plantroom proved a special problem for Ashby and Horner because of the ancient marsh subsoil of this part of the City. Piles had to be driven down 18 metres to take the extra steelwork. The steel frame also provided unexpected difficulties because of rusting, which is another typical fault with buildings of this age and type.

Norman Bowie, Jones Lang Wootton's grand old man of City property, has cast a jaundiced eye over 1960s office blocks which he says would require spending of £60 a square foot to produce the operational efficiency required by modern tenants. James Thornton says £60 would probably provide a "bog standard" conversion—but would this be sufficient for the ever more demanding tenants?

And with the sort of hidden problems revealed in Finsbury Square House, it seems that no figure should be relied on as being accurate until the job is over.

D. L.

CITY OF LONDON PROPERTY V

City core adapts to needs

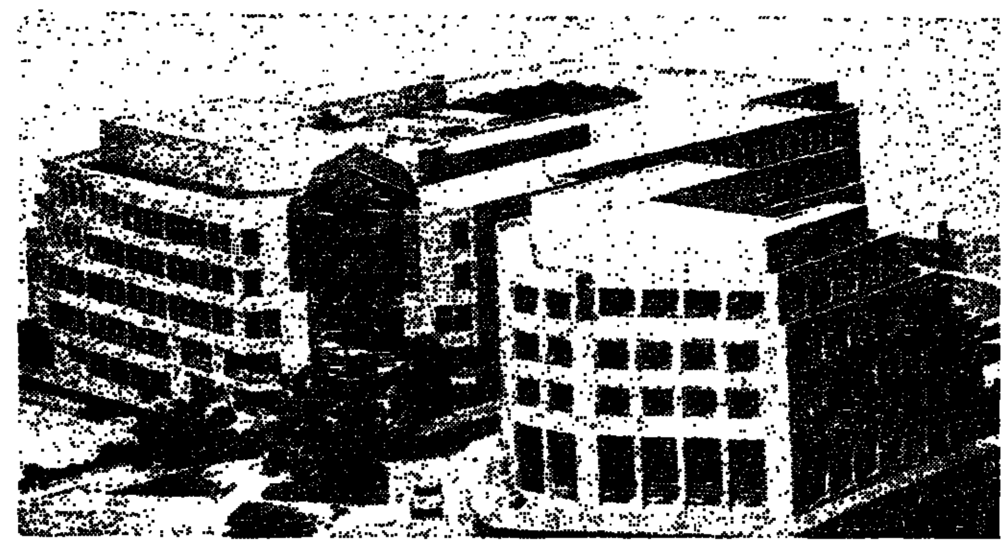
The occupiers

WILLIAM COCHRANE

BETWEEN JUNE 1982 and June 1983 Savills identified 339 individual lettings in the City. Broadly speaking, UK and foreign banks grouped themselves around the core and other finance houses did the same; insurance, shipping and commodities mostly had a penchant for the eastern sector while professional services—accountants, solicitors and others—were going north and west.

The banks were active in that 12 months, and they have been more active since the summer of 1983 as bigger units of space have started to be taken up.

Hillier Parker say that the UK clearing banks and international banks remain the most significant tenants for the central area prime buildings. "The traditional banking hall," they add, "is less significant to overseas banks but ground floor representation and a self-contained building brings with it an ability to display a bank's name, provides considerable prestige and assists with security."



Model of an approved 200,000 sq ft redevelopment including Beaver House, home of the fur trade, showing the frontage to Queen Victoria Street. The estimated cost is £40m

Kudos

"It is clear," say the firm, "that the addresses of Moorgate, Lombard Street, King William Street, etc. still carry considerable kudos in international banking circles and Bishopsgate and Cannon Street have now assumed equal significance."

The characteristics of ground floor representation in the core are not all attractive. George Gillon, of Richard Ellis, observes: "rep banks (foreign banks seeking city representation) used to want a lighthouse—a little island with a number of floors and their own front door. Now they would rather sacrifice that for a single floor operation."

They could both be right. The scholarly, the patriarchs, salesmen, accountants, bureaucrats — all of them seem to get their turn in running organisations, and property decisions are likely to be affected accordingly.

The property world, of course, is not slow on the uptake. Big floors which can be subdivided offer flexibility, and some attempt — internally, externally or both—at aesthetic appeal is made with most buildings; information technology buffs are acknowledged with raised floors and energy conservation, provision of natural light and general cost effectiveness rate highly in most new developments.

Meanwhile the tenant seems to be going for what he wants — where he gets it being sometimes less important than it used to be. Ellis makes the point: "An increase in take-up by banks and other financial firms was recorded in 1983.

"Foreign banks were particularly prominent in the market although units of space were also taken up by several merchant banks and also by one of the clearing banks. Banks took a significantly greater number of units, mainly over 40,000 sq ft in size, in new developments than in the previous two years."

Mellon Bank and Wardley going to Cutlers Gardens, a handsome Greycoat development in an ill-fanciedlocation, indicated that either the core is less important than it used to be, or that the definition of it less fixed.

S. G. Warburg was prepared to sell a reported £15m in equity at 30 Gresham Street to UBAF Bank to move into Land Securities' King William Street House — it is getting out of 102,000 sq ft in four City buildings to regroup in its new 130,000 sq ft headquarters.

More action

That building, bordered on one side by Upper Thames Street, indicates either the shift of prime or the establishment of a "halo" around the core, especially to the south. The move may also be indicative of more action upcoming from the merchant bank fraternity.

"I'm convinced that the merchant banks will take the initiative this year," says David Price of Hillier Parker. "We are acting for three, letting to a fourth, and know of a total of six which are doing fairly significant things."

There is little pressure to the east at the moment, with shipping, insurance and commodities in varying degrees of quietude. There is no apparent reason, however, why the professions should be limited in direction, and it will be interesting to see where the several accountants believed to be in the market for space will eventually establish themselves.

In the centre, moves by two major French banks—Société Générale and Banque Paribas—are relevant. At 60 Gracechurch Street, EC2, a 70,000 sq ft banking office building owned by the Midland Bank was sold to Société Générale for its own occupation.

At 68 Lombard Street, EC3, Banque Paribas bought a 40,000 sq ft banking/office building from Barclays at a reported price of £18m. Paribas is refurbishing the building, again for its own occupation.

These freehold deals, like a number of others, were made against strong competition from developers and investment funds. So the occupiers have been showing their ascendancy in more ways than one.

U.S. banks among the pioneers

U.S. BANKS are frequently seen as the pioneers of relocation. Periodically, one of them will move all or part of its facilities out of the City core and the media play up the controversial aspects. But their policies can also be seen as part of a maturing process which, over years and decades, brings new blood into the City and pumps unnecessary occupancy out.

In 1976 and 1977, when BankAmerica and Continental Illinois respectively moved to the west end of Cannon Street and the former offices of The Times in Printing House Square (now 162 Victoria Street), they were not so much leaving as expanding the body of the City itself. Cannon Street, especially, is much more sought after as a location now than it was in the mid to late 1970s.

Last year, BankAmerica was troubled by reports that it would be moving out of 25 Cannon Street as well. This is not the case. Earlier the bank made a decision to have a "three-footed presence" in the UK Its marketing and customer related functions will remain at Cannon Street. Back office and processing staff—"people who keep the books" will be in Bromley and systems and data processing in Croydon.

BankAmerica has some 120,000 square feet in Cannon Street, 130,000 in Bromley and 144,000 in Croydon. On rents, rates and service charges, it can see a clear and considerable saving by moving "low profile" staff out of the centre.

Chemical Bank seems to be a topic in the market after its 1982-83 move of operations staff to Cardiff — curious, this, since it moved them from 180 Strand. "They don't like it there." goes the story; "they're looking to move back to London."

All the stories like this that the Bank has heard, apparently, come from agents — and City agents, to boot. It says that its experience in Cardiff has been good, and that if it had not made the move it would need another building in central London.

It reckons that agents ignore "other" operational costs like staff, the quality of same and the ease with which they can be hired. It sees no great communications difference between teh building in central London and two which are further apart.

The odds are that it will need more central London space at some time, but this will accommodate growth in marketing, rather than operational requirements.

What is clear is that American banks, if they want operational quality of space, are not going to be hog-tied by conventional City boundaries. First National City Bank of Chicago is regrouping its operations into two centres — down from five — and while it will be leaving its clearing centre and payments office in Royal Exchange Avenue it is also becoming the principal tenant in the MEPC/Legal and General Long Acre office scheme two miles west of the City at Covent Garden.

Another candidate for a move—Chase Manhattan, heard to be looking at a number of options including a move to Swindon last November, is still in the same position. Chase occupies Woolgate House, the 240,000 sq ft building in Basinghall Street, which is the largest UK office investment owned by the Hammerson Group.

There seems no threat to Hammerson in the Chase plans, since it has expanded in recent years and seems likely to retain all or most of Woolgate.

Chase is expecting to come to a decision on the move quite soon.

William Cochrane

Institutions respond to challenge

Investment

WILLIAM COCHRANE

PROPERTY investment came low on the list of institutional priorities last year. For insurance companies, figures covering the first nine months of 1983 showed total investment in this medium of £572m compared with £718m in the same period of 1982.

Pension funds were even less enthusiastic, putting in £363m against £635m, and the combined total was down by over 30 per cent from the £1.35bn spent in January / September 1982.

Anecdotal evidence suggests that the City was more fortunate, coming close to retail property among the more favoured institutional avenues. But the City, high-rented as it is, has problems of its own: 100,000 sq ft, say, at £30 a foot means £3m of income and a valuation around the £70m mark.

Most institutions cannot contemplate that as a single commitment. Ian Davie, investment property supervisor for all of General Accident's investment property funds not owned and occupied by the group, explains the situation from GA's angle.

"We're not that big," he says. "About £20m to £30m is as far as we can go." This, in theory, would be the combined strength of all GA funds although in practice they have different requirements, and different tax structures. "Some funds smaller than us," he notes, "might only be able to go up to £5m."

Big money

"Our investment policy," says Mr Davie, "is governed by our investment committee. If someone comes forward with a project, and that project is going to cost £50m, we can probably stop talking right there."

General Accident, whose main life company is Yorkshire General, has been involved in consortium finance—the apparently obvious way of splitting a big investment between a number of funding sources.

"From a personal viewpoint I am not keen on the consortium method," says Mr Davie. "I like to manage property myself, and four different stakeholders might have four different ideas about how a property should be run."

GA is currently involved in two City refurbishments, 66-67 Cornhill and Beckett House in Old Jewry. In both cases it has reorganised the leaseholds on a 125-year basis with the freeholders—the Grocers Company, and the Mercers Company respectively — and actual refurbishment costs between the two will amount to some £8m.

Mr Davie's views on how a property should be run are not the only argument against consortia. It is an old adage the property is an illiquid investment. It becomes more so if there is more than one stake in the equity.

However, plenty of investment challenges were accepted in 1983. Donald Newell of Hillier Parker calculates that 30 buildings (17 freehold and 13 long leasehold) were sold in the City last year, these transactions including disposals with vacant possession.

The total sum involved, he reckons was about £400m, of which the freehold content was about £300m. "Investment yields," he says, "range from 4½ per cent to a figure of probably around 7 per cent for St Magnus House on Lower Thames Street, which was the biggest of the lot at £40m."

Partnership

This, he thinks, demonstrates that there are more people with big money than the market tends to think; that there is more demand than there was 18 months ago; that investors are foreseeing growth in rental values; and that the increase in supply over the next 12 months will be fairly limited.

One fund which was not afraid to show its muscles last year was Merchant Navy Officers Pension Fund, which spent £32m to pick up its first property investments in the City—the 70,000 sq ft Pinners Hall in Great Winchester Street and the adjoining building at 105-108 Old Broad Street—occupied by the French bank, Société Générale, which is due to move this year to 60 Gracechurch Street.

What the Fund gets initially is net lettable office space totalling 91,500 sq ft and a yield of between 5 and 6 per cent. Looking further ahead, there must be redevelopment potential for a City site of just under two-thirds of an acre.

In the meantime, it can aim to improve the returns on the multi-tenanted Pinners Hall, which accounts for 70,000 sq ft of the space. Mr Geoffrey Musson, the Fund's investment manager, said last August: "We enjoy the management aspect of property . . ."

Other major fundings are dealt with in the other articles on this page. Both Billingsgate and Finsbury Avenue are dealing with sums outside the usual institutional range.

The way the developers approached the problem was simple but risky in the first case and apparently complex in the latter; but they both seem to avoid the major consortium finance drawbacks.

Billingsgate's timing should net a good catch

Just over a month before London and Edinburgh Trust, run by the brothers John and Peter Beckwith, came to the London Stock Exchange last November via an offer for sale, its prize development in the old Billingsgate market ran into a major snag.

The London Commodities Exchange said that it had abandoned plans to take space in the redevelopment, and would be pursuing proposals to develop a 400,000 sq ft scheme close to the Tower of London.

It is still, however, an exciting scheme, still funded in an unfussy way, and it could be that the trends of supply and demand in the City market will be working in its favour when it is completed in the summer of next year.

Consortium finance

London and Edinburgh has a 33.3 per cent interest in the development partnership with an associate of S and W Berisford. The development comprises two adjoining office towers, linked by a central atrium, and will provide up to 185,000 sq ft of net lettable space. In addition the existing market hall will be refurbished to provide specialist shops, offices (about 60,000 sq ft) and restaurant and leisure use.

The company's maximum potential capital commitment is £6.67m (indicating £20m for the partnership) of which £3m had been contributed when the prospectus was published. At that time the partnership was already ahead of the game with the site valued in its existing state at £22m.

Just over £44m was estimated as the cost of completing the development, on which the value was then expected to rise by another nearly £62m. In the present, more optimistic state of the market, some observers say that it could go higher than that.

To cover the £44m of outstanding costs, the Billingsgate partners arranged a non-recourse loan from a syndicate of banks, led by County Bank and Chase Manhattan. Non-recourse? As one adviser explains it: "If we went to war and the bomb drops, everybody could lose their money; the bank loan is secured on the building and the developers are limited to their £20m commitment."

While arranged, the loan has not yet been drawn on, but it will be, fairly soon, says LET chairman, John Beckwith. For the record, LET's net assets were £8.8m at June 1983, rising to £14.8m after including the proceeds of the offer for sale.

The Beckwiths came to the market with a proven ability to pick good sites, choose attractive schemes, find reputable development partners and employ a wide range of imaginative funding techniques. The question now, lacking the London Commodities Exchange, is whether they have their timing right as well.

"When they went into this one back in 1981," says Donald Newell of agents Hillier Parker, "estimates of completions showed that a lot of new property would be finished off in 1981, 1982 and 1983, with a tailing-off in 1984 and 1985.

"Now," he says, "it looks as if anything coming in 1985, with a pick-up in demand coupled with the tail-off in supply, will be looking pretty healthy."

Model of the proposed development of the former Billingsgate fish market incorporating two office towers linked by a central atrium

Finsbury Avenue looks to the future

"WHEN WE acquired the site it would have been impossible to fund on a traditional basis," says Mr Godfrey Bradman, chairman of Rosehaugh, which is undertaking the development of Finsbury Avenue in partnership with Greycoat via Rosehaugh Greycoat Estates. "It was just a piece of land which could take ½m sq ft of development."

"We had to use lateral thinking," he says. "What do the institutions require? They don't want a £100m development with no tenants and only an undeveloped site as security.

"As a result of my discussions with a number of institutions the funding was organised as a financial, rather than a property investment package," says Mr Bradman. "At that time, when the site was empty, the investing consortium subscribed for £33.8m of nil paid First Mortgage debenture stock with an obligation to pay later."

Rosehaugh then went to an American bank, Chase, for interim finance. It borrowed £33m from Chase effectively on the investors' obligation to pay for the call on the debenture stock, when it was made.

"Chase was happy about the covenants of the investors (they include RIT, Dixons and British Land) and we got the money with no commitment fee to Chase at ⅝ per cent over the cost of funds for a proportion, and ¾ over for the balance—a very fine rate," he explains.

In addition to subscribing for the debenture stock, the investing consortium also got all of the 3,380 £1 B ordinary shares in the development company. They have the right to require their shares to be purchased by the A ordinary shareholders (mainly Rosehaugh and Greycoat) for 32 per cent of the post tax, net asset value of the development company, no later than November 30, 1987.

All this centres on the first phase of the Finsbury Avenue development which is expected to include 258,000 sq ft of office space, car parking, six retail units, a restaurant, a public house and leisure facilities.

Talk in the market puts the rent at £19.75 a foot for the office space which on a yield of 6 to 6½ per cent values the office element at £81.6m in the middle of the range.

Eight storeys

Letting agents for the project are Baker Harris Saunders and Jones Lang Wootton. Arup Associates are the architects.

The eight-storey building is "visually striking," say the developers, and so it is. Some observers love the futuristic look of it and others are much less complimentary.

Inside, there is likely to be more accord with large floor areas of over 30,000 sq ft, cost efficiency and an atrium designed to maximise the benefit of natural light.

Simon Harris of Baker Harris Saunders says that it is "without doubt the most advanced building in central London." DEGW, space planners and architects, measuring Finsbury Avenue against the ORBIT report on the likely impact of information technology on office design, gave it high marks in most departments.

It may be worth remembering, too, that this is one of the two developments in which Stuart Lipton retained an involvement when he resigned his joint managing directorship of Greycoat last year.